



Employment and Industrial Lands-Based FDI Strategy

Comox Valley Economic Development Society

Final Report



Contents

EXECUTIVE SUMMARY	2
1 INTRODUCTION.....	13
1.1 EMPLOYMENT AND INDUSTRIAL LAND CONCEPTS	14
2 COMPETITIVENESS AND MARKET READINESS	15
2.1 ECONOMIC CONTEXT AND TRENDS	15
2.2 SECTOR OPPORTUNITY AND GAP ANALYSIS	29
2.3 COMPARATIVE BENCHMARKING	40
2.4 CONSULTATION SUMMARY	44
2.5 SWOT ANALYSIS	53
3 EMPLOYMENT AND INDUSTRIAL LAND STRATEGY.....	57
3.1 LAND USE POLICIES AND REGULATIONS	57
3.2 INDUSTRIAL AND EMPLOYMENT LANDS AREA CHARACTERISTICS AND INVENTORY	69
3.3 EMPLOYMENT FORECAST AND LAND NEEDS ANALYSIS	81
3.4 EMPLOYMENT AND INDUSTRIAL LAND RECOMMENDATIONS	93
4 FOREIGN DIRECT INVESTMENT STRATEGY	101
4.1 FDI CONTEXT	101
4.2 FDI MARKETING APPROACHES	103
4.3 FDI PRIORITY SECTOR PROFILES	106
4.4 FDI ACTION PLAN AND RECOMMENDATIONS	136
4.5 FDI KEY AREA PROFILES	146
APPENDIX A – BEST PRACTICES FOR BUSINESS PARK OPERATIONS	151
APPENDIX B – OFFICIAL COMMUNITY PLANS AND GROWTH STRATEGIES	158



Executive Summary

In order to continue pursuing the goals of expanding the present tax base in the region and increasing industrial and knowledge-based employment growth, the Comox Valley Economic Development Society (CVEDS) has chosen to undertake an Employment and Industrial Lands-Based Foreign Direct Investment Strategy. This Strategy will provide the necessary background information to support longer term economic development and land use policy development in the Comox Valley by:

- Developing a comprehensive inventory of current employment and industrial lands
- Analyzing the present employment and industrial land inventory relative to market choice and desirability
- Assessing current market position and potential for Comox Valley to guide longer-term development needs for light and medium industrial and employment land development
- Recommending specific land use, servicing, or development standards and policies to improve the region's long term competitiveness and distribute investment across the area

Employment and Industrial Lands Findings

Based on the findings of this Strategy, the recommended guiding vision and direction for employment and industrial lands in the Comox Valley is:

Through collaboration and coordination of planning, servicing, and development strategies among the Regional District, local governments, the K'ómoks First Nation, public agencies, businesses and non-governmental organizations, the Comox Valley will provide a continued supply of lands and spaces in urban and rural areas with the broad range of market choice characteristics that appeal to industrial and knowledge-based businesses internal and external to Vancouver Island. Domestic and international investment is pursued with the intent of balancing environmental stewardship and natural resource conservation with the enhancement of municipal fiscal sustainability, increased vibrancy of the regional economy, and the provision of quality employment opportunities.

Comox Valley's net industrial land supply is estimated at 1,509 net acres, as summarized in column C of the table below. Of this, 311.4 acres were located in the Regional District, 76.9 acres were located in the Town of Comox, 981.2 acres were located



in the Village of Cumberland¹, and 139.3 acres were located in the City of Courtenay. The largest supply of future industrial land is located within the Village of Cumberland (i.e. the Bevan Road lands).

An orthophotos exercise provides an estimate of available vacant land in the current net industrial land count. Summarized in Column E, 75% of the total net industrial lands in the Comox Valley are assumed to be vacant. The Comox Valley's net vacant industrial land supply is 1,135.4 net acres, which includes 125 acres of net vacant land located in the Regional District, 38.1 acres of net vacant land located in the Town of Comox, 956.2 acres of net vacant land located in the Village of Cumberland, and 16.1 acres of net vacant land located in the City of Courtenay.

COMOX VALLEY GROSS VS NET SUPPLY OF INDUSTRIAL LANDS (ACRES)

Zoning	Total Gross Industrial Land (A)	Adjustment for Utilities Corridors, Environmental Sensitivity Areas, Roads and Other Internal Infrastructure (B)	Net Industrial Land (C = A-B)	Net Vacant Industrial Land Supply (D)	Percentage of Zoning that remains Vacant (E = D/C)
Comox Valley Regional District					
Industrial Light	104.7	7.8	96.8	0.0	0%
Industrial Heavy	20.9	0.0	20.9	0.0	0%
Industrial Marine	190.0	0.0	190.0	122.2	64%
Industrial Storage	9.5	6.3	3.2	2.8	87%
Seafood Processing Aquaculture Facility One	0.5	0.0	0.5	0.0	0%
Town of Comox					
Light Industrial	4.8	0.0	4.8	0	0%
Aeronautical Industrial	67.0	0.0	67.0	38.1	57%
Commercial	3.7	0.0	3.7	0.0	0%
Commercial - Industrial	1.4	0.0	1.4	0.0	0%
Village of Cumberland					
Industrial*	981.2	0.0	981.2	956.2	97%
City of Courtenay					
Industrial One Zone	9.8	3.5	6.3	2.4	37%
Industrial Two Zone	101.4	1.3	100.0	13.3	13%

¹ Future supply of industrial land as identified by the 2014 Village of Cumberland Official Community Plan. A new draft zoning map is currently under consideration for adoption in the summer of 2016.



Zoning	Total Gross Industrial Land (A)	Adjustment for Utilities Corridors, Environmental Sensitivity Areas, Roads and Other Internal Infrastructure (B)	Net Industrial Land (C = A-B)	Net Vacant Industrial Land Supply (D)	Percentage of Zoning that remains Vacant (E = D/C)
Industrial Three Zone	33.0	0.0	33.0	0.5	1%
Total					
	1,527.8	19.0	1,508.8	1,135.4	75%

Sources: Comox Valley Regional District Bylaw No. 2781, Town of Comox Bylaw No. 1377, Village of Cumberland Bylaw No. 717, City of Courtenay Bylaw No. 2500. Commercial zoned land presented above includes both retail and office uses.

*Total acres of vacant land include the future supply of industrial land as identified by the 2014 Village of Cumberland Official Community Plan

If employment intensities remain the same over the next few decades, the Comox Valley will require additional land in each of the major commercial and industrial categories in order to accommodate further growth.

Based on the current number of jobs per acre (except for industrial – a revised average of 4 jobs per acre is used), the projected demand for additional employment land is in the range of 300 to 430 acres, or 9 to 13 acres per year, between 2011 and 2045.

SUMMARY OF LAND DEMAND PROJECTIONS BY SELECTED LAND USE

Land Use Category	"STATUS QUO" GROWTH PROJECTION		POSSIBLE HIGH-GROWTH PROJECTION	
	Additional Land Demand, 2011-2045	Average Annual Increase	Additional Land Demand, 2011-2045	Average Annual Increase
	(Acres)	(Acres)	(Acres)	(Acres)
General retail/service	94	2.8	112	3.3
Office	55	1.6	56	1.6
Service commercial	15	0.4	17	0.5
Industrial	132	3.9	246	7.2
Total Commercial & Industrial Land	296	8.7	432	12.7



The projections show that the additional land demand in the coming decades is expected to be split relatively evenly between industrial and commercial land uses (3.9 acres per year of industrial, 4.8 acres per year for the combined commercial categories outlined above). Most of the additional land demand that would be realized under the high-growth scenario is for industrial land, driven by the potential for elevated growth in agricultural and seafood processing and selected manufacturing opportunities.

At a gross level, the projected demand for additional employment land can be accommodated within existing supply in the Comox Valley. The majority of the future vacant supply is the Bevan Road lands in Cumberland, which may not be suitable for all potential users. Feedback from the technology sector, for example, strongly emphasized the desire to locate in more urban environments with a variety of amenities in close walking distance and good transit and other transportation connections. Similarly the 122 acres of vacant industrial marine land is likely suitable for only a narrow range of possible industrial users.

Excluding the Bevan Road and the industrial marine lands, the Comox Valley yields an estimated vacant supply of about 57 acres. This is a better indicator of the current supply of readily available industrial and office commercial land. Combined demand from office and industrial users is estimated at 5.5 to 8.8 acres per year under the status quo and high-growth scenarios. This suggests the Comox Valley has sufficient supply for 6-10 years of growth, depending on the scenario.

It should be noted that it may be possible for some growth in employment land demand to locate in areas that are not currently captured in the land supply analysis. Growth in food processing, for example, may be accommodated on existing agricultural land, while the K'ómoks First Nation may use lands not currently part of the inventory to accommodate growth in shellfish processing or other manufacturing ventures they choose to pursue.

Should an additional tract of land (not within the K'ómoks First Nation lands) be identified that has the potential to develop employment uses, the relevant policies of the CVRD's Regional Growth Strategy, and applicable Official Community Plan would have to be carefully considered.

Overall, the Comox Valley is expected to accommodate employment growth of 8,000 to 11,000 jobs by 2045, with the majority of that employment growth directed to the urban settlement areas (known as the “core areas” in the Regional Growth Strategy). This translates to an overall demand of 300 to 430 net acres of employment lands over the next 30 years (plus additional land demand in categories not considered in this study, including institutional and resort/recreational). While the Comox Valley has the ability to accommodate additional employment growth over the medium term, the region is expected to exhaust its supply of readily available employment lands within 6 to 10 years, or by the 2021 to 2025 period. This suggests that all stakeholders across the Comox Valley need to start considering strategies to provide for the accommodation of employment growth over the medium to longer term, to ensure that the



area has the investment-ready infrastructure, land, and policies in place to meet municipal objectives around employment generation and fiscal sustainability.

Based on these findings, eight recommendations are made to guide industrial and employment lands development in the Comox Valley :

- Provide policy directions on the conservation of employment and industrial lands for industrial and knowledge-based uses
- Revise land use regulations to reduce potential for retail or wholesale development on industrial lands
- Undertake regular and ongoing monitoring of industrial and employment land supply and demand indicators, to assist with longer term growth management
- Work with K'ómoks First Nation to identify and assess opportunities for employment and industrial lands development, and innovative solutions to development constraints
- Develop the Bevan Road lands as the key industrial area in the Comox Valley, to accommodate long term employment growth
- Under the requirements and conditions in the RGS, assess and identify key areas for employment or industrial land development in settlement expansion areas to accommodate long term employment growth
- Direct knowledge-based employment sectors towards infill or redevelopment opportunities in the Town Centres
- Modify existing land use regulations to improve alignment between select market opportunities and employment or industrial land options

Sector Targeting in the Comox Valley

Based on the employment and business trends analysis for the Comox Valley Regional District (CVRD) and the Vancouver Island and Coast Economic Region, a number of important industries can be identified to support investment attraction efforts in the Comox Valley. Priority export-oriented/non-retail industries exhibiting current or emerging strength in CVRD are:

- **Professional, scientific and technical services (current strength)** – driven largely by management, scientific and technical consulting services and architectural, engineering and related services
- **Construction (current strength)** – driven largely by residential building construction, other heavy and civil engineering construction, building finishing contractors, and other specialty trade contractors
- **Forestry, fishing, mining, quarrying, oil and gas (high priority retention target)** – driven largely by the forestry and fishing sectors, including forest nurseries and gathering of forest products, fishing, support activities for forestry (i.e. pest



control services, log hauling in the forest, timber cruising and valuation, etc.), logging, and greenhouse, nursery and floriculture production

Other export-oriented/non-retail industries that should be considered in attracting new investment where some limited niche opportunities for growth may exist in the long-term are:

- **Manufacturing (weak local base and challenging external conditions but regional competitiveness)** – driven largely by sugar and confectionery product manufacturing, dairy product manufacturing, metal product fabrication (e.g. boiler, tanks and shipping containers, springs, wire), seafood product preparation and packaging, and veneer, plywood and engineered wood product manufacturing
- **Agriculture, including aquaculture (strong local base and regional competitiveness but challenging external conditions)** – driven largely by aquaculture, support activities for animal production (i.e. breeding services for livestock, artificial insemination services, cattle registration service, etc.), hog and pig farming, other animal production (i.e. apiculture, horse and other equine production, fur-bearing animal and rabbit production, etc.), and sheep and goat farming
- **Transportation and warehousing** – driven largely by support activities for air transportation (i.e. airport operations, servicing aircraft, repairing and maintaining aircraft, and inspecting and testing aircraft), support activities for water transportation (i.e. marine cargo handling, navigational services to shipping, ship repair and maintenance (not done in a shipyard) and lighter operations, etc.), deep sea and coastal water transportation, and other transit and ground passenger transportation (i.e. shuttle services to airports and similar facilities, special needs transportation services, etc.)
- **Tourism and resort development** – driven largely by heritage institutions, traveller accommodation, full-service restaurants and limited-service eating places, scenic and sightseeing transportation (water), recreational vehicle (RV) parks and recreational camps, other amusement and recreation industries (i.e. golf courses, skiing facilities, marinas, recreational, sports and fitness centres, etc.), and special food services (i.e. food service contractors, caterers, and mobile food services)

All of these industries highlight that a range of opportunities for new investments in employment lands throughout the Comox Valley might exist, based on broader trends across the economic region. These opportunities are likely to generate demand for a variety of built forms ranging from partially-serviced or privately serviced lots that allow uses like outdoor storage, general industrial and manufacturing sites, prestige-type light and medium industrial developments that require integrated office and industrial spaces (particularly for engineering companies or other professional services), and/or standalone office uses. This range of industries and needs reinforces the need for flexible policies within the Comox Valley that allow for sustainable development and regional competitiveness.



Alignment of the Comox Valley Land Use Regulations with Regional Growth Prospects

A high level review of land use (i.e. zoning) regulations across the four municipalities suggests that there are few misalignments between likely forms of employment or industrial land development and the existing land use regulations across the Comox Valley. For the most part, provisions are made for likely forms of economic development that Comox Valley could face in industrial areas. Further, commercial areas accommodate potential employment land developments where industrial zones do not allow for them, such as the limitations around standalone offices in Courtenay and Cumberland's industrial districts. However, in the context of these potential employment or industrial land developments, there are several potential challenges in terms of land use regulations:

- A lack of specific provisions to accommodate construction-related activities in Cumberland's industrial zones, outside of Comprehensive Development Commercial Two (CDC-2)
- A lack of provisions for outdoor storage or warehousing uses in Cumberland's industrial zones
- A lack of specific regulations outlining permitted industrial contractors or construction uses in Comox's industrial zones

The influence of these findings on investment readiness in these sectors varies. The lack of provisions in both Cumberland and Comox do not necessary prevent the accommodation of contractor uses, depending on their characteristics, but also do not allow those uses as-of-right in the same way that the zoning bylaws in Courtenay and CVRD do. Though local investment readiness or competitiveness may be lower in Comox or Cumberland, this is likely only a minor issue pending the characteristics of a proposed development, while other areas of the Comox Valley do provide areas to accommodate this investment. The lack of provisions for outdoor storage or warehousing in Cumberland's zones is likely more of an issue for competitiveness – not just for more general types of industrial development, but also prestige (i.e. enclosed) users that may require limited outdoor storage. This may influence Cumberland's ability to accommodate uses that require indoor (i.e. warehouse) and outdoor storage, such as manufacturing, construction-related, or transportation-oriented uses.²

Reflecting the strong cultural heritage of the area based on rural and resource-based industries, OCPs and zoning bylaws as well as the Regional Growth Strategy allow for and encourage both the protection of the existing agricultural and resource base in urban and rural areas of the Comox Valley, but also the maintenance and expansion of economic development activities in rural and agricultural areas as well (subject to Agricultural Land Commission policies). The majority of uses characteristic of

² The Village of Cumberland is currently preparing a draft Zoning Bylaw to bring their land use control regulations in line with the Village's OCP. This draft Bylaw has undergone public consultation, and Staff anticipate a Public Hearing and adoption by the summer of 2016.



employment and industrial land will ultimately locate on industrial lands. However, the provisions to allow for low to moderate intensity industrial uses (even on a temporary basis), as well as home-based industrial uses and value-added uses connected to the resource base in rural and agricultural areas will also play a key role in accommodating longer term employment for Comox Valley (while perhaps diversifying the local economy), and generating raw materials that can drive the development of further industrial uses related to manufacturing, processing, or assembly.

Foreign Direct Investment

Based on the findings that emerged from the employment lands and sector targeting analysis, five priority sectors have been identified that offer high growth and investment potential in the Comox Valley. These priority sectors are:

- Aquaculture and Fishing
- Agriculture
- Tourism
- Professional Services and Technology
- Primary and Secondary Manufacturing

Detailed sector profiles are presented in the main report outlining the context, regional composition, and opportunities for the Comox Valley to consider for each of these sectors.

FDI Action Plan and Recommendations

The following section builds on the strategic directions outlined to propose an action-oriented implementation plan for achieving FDI attraction objectives in the Comox Valley region. It seeks to provide CVEDS and its economic development partners with a roadmap for building the profile and investment readiness of the community in order to accommodate investments key target areas of the economy. The actions in the implementation plan are divided into three activity areas:

- **Enhancing investment readiness within the Comox Valley**
- **Targeting investment opportunities for the Comox Valley**
- **Marketing and promoting investment within the Comox Valley**

The following section provides an overview of the objectives and actions within each of these three areas. The actions are organized by timelines of short (1-2 years), medium (2-4 years), and long (4-5 years) in order to provide an indication of the



urgency with which the action should be pursued. It should be noted that in some cases, both staff time and financial resources may be needed from a number of organizations to fully implement the action.

FDI ACTION PLAN

Activity Area	Action Items
<p>Enhancing Investment Readiness</p>	Establish an Investment Readiness Committee – Short
	Engage more frequently with key stakeholders in the knowledge-based industries sector – Short
	Work with Cumberland to establish a permanent Bevan Road Industrial Lands Advisory Committee (BRILAC) – Medium
	Facilitate an annual FDI and employment lands discussion with municipal and regional planners – Medium
	Create an inventory of underutilized employment lands which could accommodate future FDI activity – Long
	Explore the feasibility of creating a “local government tax sharing agreement” as a way to generate more partnership and collaboration in FDI activities in the Comox Valley – Long
<p>Targeting Investment Opportunities</p>	Undertake a formal lead generation exercise – Medium
	<p><i>Aquaculture and Fishing</i></p> <ul style="list-style-type: none"> ■ Explore the feasibility of attracting new or supporting the expansion of existing aquaculture operations to target niche high value seafood products (such as nutraceuticals, food additives, and geoducks) – Short ■ Work with the Comox Valley’s local seafood processing and packaging sector to identify where gaps in service exist locally and how to address those gaps – Medium ■ Actively position the employment lands adjacent to the Comox airport as a hub of activity for aquaculture and fishing operations that export to Asian markets on a regular basis – Medium



Activity Area	Action Items
<i>Professional Services and Technology</i>	<ul style="list-style-type: none"> ■ Form a permanent tech sector advisory committee – Short ■ Raise the profile of Comox Valley as a technology hub – Short ■ Create a knowledge-industry co-working space – Long
<i>Agriculture</i>	<ul style="list-style-type: none"> ■ Identify the feasibility of growing new, high value agricultural crops in the Comox Valley – Medium ■ Increase the region’s brand and marketing as a sustainable agricultural sector internationally – Long
<i>Tourism</i>	<ul style="list-style-type: none"> ■ Develop unique tourism experiences in partnership with K’ómoks First Nation – Medium
<i>Primary and Secondary Manufacturing</i>	<ul style="list-style-type: none"> ■ Target investment for niche food markets – Medium ■ Attract new entrant food processors to the sector – Medium ■ Explore the feasibility of an Eco-Industrial Park in the Comox Valley – Long
FDI Marketing and Promotion	Develop site-focused investor “tear sheets” for employment lands within the Comox Valley – Short
	Develop sector-specific marketing materials, including brochures and microsites, targeting niche investment opportunities in its key priority target areas – Short
	Engage with relevant external industry associations in the priority sectors – Medium
	Develop and maintain a publicly-accessible database of available employment lands within the Comox Valley region – Medium

All findings from this report lead to three very real opportunities for the Comox Valley:

- **In the short term**, developing opportunities around the emerging professional services and technology sector (to capitalize on the growing technology sector in particular). Bringing industry stakeholders together, raising the profile of the Comox



Valley as a technology hub, and creating more knowledge-industry co-working spaces are a few of the actions that should be considered.

- **In the medium term**, deepening relationships with the K'ómoks First Nation to further the position of the Comox Valley as a centre for aquaculture and seafood processing. Exploring the feasibility of new aquaculture operations targeting niche high value seafood products as well as actively positioning the employment lands adjacent to the Comox airport as a hub of activity for aquaculture and fish processing operations are some of the actions that should be considered.
- **In the long term**, exploring the potential to develop an Eco-Industrial Park in the Bevan Road lands. Identifying new partnerships and industries that can help to position the Comox Valley as a centre of excellence for environmental sustainability in primary and secondary manufacturing are some of the actions that should be considered.



1 Introduction

Local governments in the Comox Valley are well aware of the importance of long-term financial sustainability. Maintaining and expanding a strong non-residential tax base is an essential component of this financial sustainability, due to the higher tax rates paid on industrial and business properties. These higher taxes not only provide additional revenue to local governments to provide services but also help to moderate the tax burden on local residents.

In order to continue pursuing the goals of expanding the present tax base in the region and increasing industrial and knowledge-based employment growth in the region, the Comox Valley Economic Development Society (CVEDS) has chosen to undertake an Employment and Industrial Lands-Based Foreign Direct Investment Strategy. This Strategy will provide the necessary background information to support longer term economic development and land use policy development in the Comox Valley.

The general purpose of the Employment and Industrial Lands-Based Foreign Direct Investment Strategy is to:

- Develop a comprehensive inventory of current employment and industrial lands
- Analyze the present employment and industrial land inventory relative to market choice and desirability
- Assess current market position and potential for the Comox Valley to guide longer-term development needs for light and medium industrial and employment land development
- Recommend specific land use, servicing, or development standards and policies to improve the region's long term competitiveness and distribute investment across the area

In accomplishing these objectives, the Strategy provides the Comox Valley with a number of other potential benefits based on its comprehensive nature and methodology:

- A regional assessment of industrial and employment land supply and demand more detailed than initiatives undertaken at the regional or local level in the past
- A made-in-Comox approach to forecasting employment growth over the longer term that considers regional growth drivers and market conditions to come up with a detailed and data-supported forecast for likely levels of growth
- A strong baseline of data on regional-level supply and demand that can be updated on an ongoing basis and used as a metric for economic development purposes



1.1 Employment and Industrial Land Concepts

In order to provide a common understanding of the opportunities and challenges for employment and industrial land in the Comox Valley, the following definitions have been developed to describe the technical industrial or employment land-related terms and concepts used in the report:

- **Knowledge-Based Industries** – Industries that rely heavily on human intellect and technology rather than raw materials in the delivery of products and services (e.g. research and development, information technology, engineering services)
- **Prestige Industrial** – Lower-intensity industrial (or commercial office) uses and activities that generally occur within an enclosed building, creating limited nuisance outside of the building, and often constructed to a higher standard of design than other industrial uses
- **Medium Industrial** – Industrial activities and uses which may or may not include outdoor storage or work activities, with any nuisance factors generated by the use not extending beyond the boundaries of the parcel
- **Rural Industrial** – Lower-intensity industrial uses that can generally be accommodated in rural areas with private water and wastewater servicing, often at lower design standards than urban industrial developments on full municipal servicing³
- **Employment Land** – Lands (usually industrial or business-industrial) designated and zoned with the intent of accommodating industrial or commercial office uses (not including retail uses)
- **Shovel-Ready** – Zoned, developable vacant industrial lands that have servicing levels which would permit development by an end user immediately, or within the next six months
- **Foreign Direct Investment** – Foreign direct investment refers to direct investment that flows from a foreign economy into a reporting economy. FDI is a key driver of international economic integration. With the right policy framework, FDI can provide financial stability, promote economic development and enhance the well-being of societies.⁴
- **Land Absorption** – The rate at which vacant land is utilized either through build-out or through sale

³ Rural industrial uses are also commonly referred to as dry industrial uses.

⁴ Organisation for Economic Co-operation and Development, OECD Benchmark Definition of Foreign Direct Investment: Fourth Edition 2008.



2 Competitiveness and Market Readiness

2.1 Economic Context and Trends

2.1.1 National and Provincial Economy

The Canadian economy grew by 2.5% in 2014, representing a steady year on year growth of real Gross Domestic Product (GDP) to \$1.79 trillion USD.⁵ This growth, however, has slowed in 2015 with relatively weak global oil prices putting downward pressure on business investments in the oil-producing regions of the country⁶, a weak Canadian dollar (\$0.71 US as of February 8th, 2016), and underperforming export activity across most provinces (due to weakened demand from the United States).⁷

In the short-term, export growth is projected to be a major driver of growth for the provinces and the Canadian economy as a whole. This growth is expected to be supported by the low level of the Canadian dollar combined with a strong recovery in U.S. demand. In the longer-term, export growth is expected to moderate somewhat (but remain supportive of growth) helped by a Canadian dollar that remains at or below 85 cents U.S.⁸ (as seen in Figure 1). As a result, Canadian GDP growth is forecast to recover in 2016 and from 2017 onwards remain near its target steady state of around 1.8%.⁹

Provincial Growth Expectations

Forecasts suggest that the low commodity prices being felt in oil-based resource economies are likely to endure until the end of 2016. Commodity market conditions should then begin improving at a slow and gradual pace and begin to enhance investment and employment in provincial economies that rely on these industries. Economic growth in Alberta and Saskatchewan in particular is projected to resume in 2016 but remain well below the national average (expanding further in 2017 though still well below the pace they have grown at historically). The economy of Newfoundland and Labrador is projected to continue to contract until 2017 at which point it is forecast to stabilize.¹⁰

⁵ UNCTAD Stats, United Nations Conference on Trade and Development, "General Profile: Canada", <http://unctadstat.unctad.org/CountryProfile/124/en124GeneralProfile.html>

⁶ The provinces of Alberta, Saskatchewan, and Newfoundland and Labrador in particular

⁷ TD Economics, "Long-Term Economic Forecast", September 21, 2015

⁸ ibid

⁹ ibid

¹⁰ TD Economics, "Provincial Economic Forecast", October 8, 2015



The economies of the non-oil based provinces, on the other hand, are expected to continue to grow at a moderate and steady pace over the medium-term, led by British Columbia, Ontario, and Manitoba (as seen in Figure 1). Growth in British Columbia is of special note as it is projected to be the highest among all the provinces and more than twice the national rate (B.C.'s real GDP growth in 2015 is estimated at 2.5%). This growth is largely expected as a result of:¹¹

- A surging goods-producing sector
- Increases in natural gas production, which are up by 9% in the first half of 2015 (year-to-date and year-on-year)
- A strong provincial manufacturing sector, which has led all other provinces with a nominal sales gain of close to 5% through the first half of 2015 (year-to-date and year-on-year)
- An \$8.3 billion military shipbuilding contract which commenced production in June 2015
- A booming resale housing market that has supported consumer spending activity and retail sales (up more than 7%) which is by far and away ahead of any other region in Canada
- Increased tourism activity, with an increase of around 9% in the number of travelers entering B.C. (which is forecasted to continue to grow based on a weaker Canadian dollar and expectations of stronger incomes for U.S. residents)

As a result, B.C.'s pace of growth is expected to remain good from 2016-2017 at just above 2% annually.

A final note related to all provinces (both oil producing and not) highlights the challenging fiscal environments that provincial governments find themselves in. For the first time on record, the combined provincial and local government debt burden is higher than that of the federal government. It should be noted, however, that the government of B.C. is among the very few provinces in which this is not the case due to being either in a surplus position or poised to balance their budget in the year ahead. As a result, provincial governments across Canada may begin to emphasize more restraint in spending in order to reduce their operating budgets, which may contribute to the slowing of economies and labour markets throughout the country.

FIGURE 1: PROVINCIAL REAL GDP, 2015-2017



Source: TD Economics, "Provincial Economic Forecast", October 8, 2015, pg. 2

¹¹ ibid



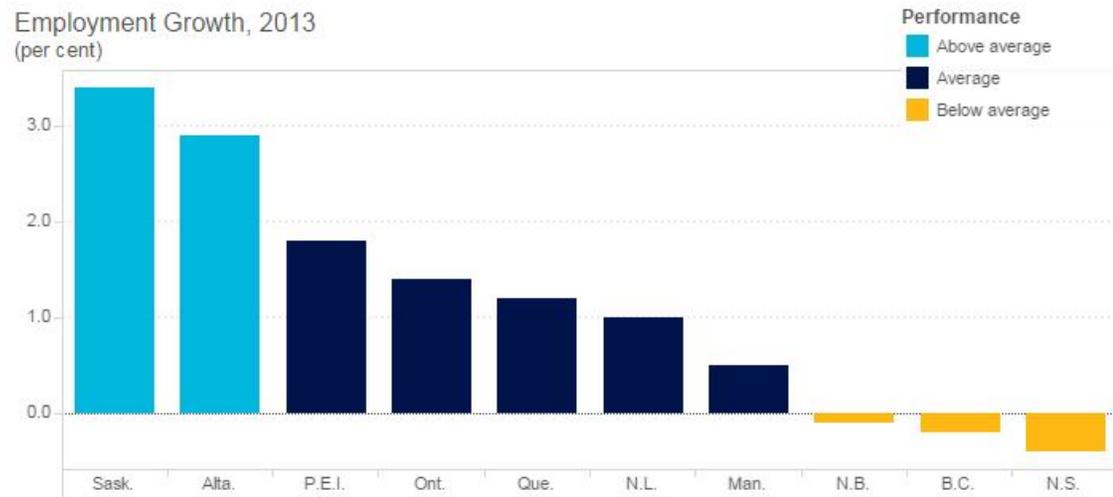
With that being said, however, a number of provincial governments have recently tabled capital spending plans that will provide critical infrastructure upgrades and support which should help to boost economic growth in the short and long-term.¹²

Employment Growth¹³

Employment growth among most developed countries in the world has been weak since the end of the global financial crisis in 2008–09.¹⁴ As a result, Canada’s employment grew a modest 1.3% in 2013 (relative to its historical growth rates). This growth rate earned it an “A” grade and was ahead of other large developed countries like the United States (1.1%), the United Kingdom (1.0%), and Germany (0.7%).¹⁵ These differences in growth are largely attributed to the ongoing economic troubles in Europe and a weak recovery in the U.S. economy.

Canada, however, faces a number of significant challenges in the medium to long term to ensure that its employment growth remains good. An aging population, a need to improve educational standards, and serious supply-side factors all have the potential to limit production and employment in Canadian industries (especially for natural resources). In particular, the lack of adequate pipeline capacity in North America and the political

FIGURE 2: EMPLOYMENT GROWTH, PROVINCES OF CANADA, 2013



Sources: Statistics Canada, The Conference Board of Canada.

Source: The Conference Board of Canada, “How Canada Performs: Provincial and Territorial Ranking”, <http://www.conferenceboard.ca/hcp/provincial/economy/inward-fdi.aspx>

¹² ibid

¹³ The Conference Board of Canada, “How Canada Performs: Provincial and Territorial Ranking”, <http://www.conferenceboard.ca/hcp/provincial/economy/inward-fdi.aspx>

¹⁴ This weakness highlights that economic recoveries take longer after a financial crisis for a number of reasons, including banks restricting loans in an attempt to get their balance sheets back in order, households holding back on spending to reduce debt, and governments limiting spending to lower fiscal deficits that may have increased during the recession as they provided fiscal stimulus to kick-start economic activity

¹⁵ Grades are created by calculating the difference in employment growth between top and bottom comparator jurisdictions and dividing the results into four equal quartiles



difficulties of building more pipelines present significant risks to job growth in oil producing provinces. Also, the forestry sector in British Columbia has a shortage of rail cars (the main way of shipping lumber) devoted to shipping wood products to the U.S. market, resulting in lost sales, reduced production, and slowed job creation. Canada's mining industry also faces constraints given that much of Canada's untapped resources are in remote areas of the North with little or no infrastructure or labour.

In terms of provincial employment growth in 2013, Saskatchewan and Alberta led the country with employment growth of 3.4% and 2.9% respectively ("A+" grade), largely on the back of resource exports and rising incomes that have led to increases in the services sector and real estate activity in those provinces (as seen in Figure 2).¹⁶ British Columbia, for its part, ranked "below average" relative to the other provinces with a 0.2% contraction in employment growth ("D" grade). This decrease in employment was largely due to decreases in lumber exports in the province due to the sluggish state of the U.S. housing market over the past few years and a decrease in provincial residential housing construction (i.e. the number of new housing starts in Vancouver decreased by 10%).

As of 2015, however, employment growth has remained steady in B.C. with strong showings in the manufacturing, transportation and warehousing, and health care and social assistance sectors. Forecasts suggest that B.C. will see annual average employment gains of around 20,000 people from 2016 to 2017, reducing the unemployment rate in the province to below 6%. The labour force is also expected to grow based on increasing interprovincial migration which is needed to help balance against the impact of B.C.'s older and ageing population.¹⁷

2.1.2 Comox Valley Regional Context

The economy of the Comox Valley has traditionally been reliant on natural resources (mining and forestry in particular) as its primary economic driver. These drivers have evolved over time and are now heavily represented by hospitality and tourism, agri-food (both agriculture and aquaculture), the public sector (notably 19 Wing and health care), and emerging drivers like technology.

¹⁶ It should be noted, however, that these statistics do not account for the subsequent crash in the global price of oil which will likely significantly reduce employment growth in these two oil producing provinces

¹⁷ TD Economics, "Provincial Economic Forecast", October 8, 2015



In an effort to coordinate economic development activity throughout the region, the Comox Valley Economic Development Society (CVEDS) created an Economic Development Strategic Plan. In this plan, CVEDS has committed to three strategic focus areas to encourage economic development in the region:¹⁸

- Business Retention and Expansion
- Investment Attraction and Promotion
- Economic Development Coordination, Facilitation and Communication

Within these broad strategic focus areas, CVEDS has identified a number of key sectors that are drivers in the region that CVEDS will focus its efforts:¹⁹

- **19 Wing** – with significant economic impact in the Comox Valley through employment, leasing of civilian airport facilities, and the potential positioning as a strategic location of the Fixed Wing Search and Rescue (FWSAR) replacement project the Federal Government is undertaking
- **Agriculture** – harnessing the Comox Valley's favourable location in accessing markets, having less expensive and more available land than other BC jurisdictions, and having a more favourable climate for growing (i.e. longer season and more sunshine hours) than other regions in BC
- **Air Service Support** – upgrading and expanding the civilian airport terminal and the tarmac area to provide more room for both passengers and airplanes to manoeuvre as well as the development of air cargo facilities to leverage the airport's 10,000 foot runway (one of the longest in BC) with full firefighting and rescue capabilities and the potential for 24-hour operation
- **Aquaculture** – with the Comox Valley as one of the largest shellfish producing regions in BC and Canada, and where overall global demand for shellfish products is growing with not enough supply to meet that demand
- **Construction and Development** – continuing to harness the large investments in new residential and commercial development in the region
- **Health Services** – a significant economic generator in the region, accounting for roughly 12% of regional employment, and with new investments in the Comox Valley Regional Hospital expected to bring new economic development activity to the region (especially in the short term)
- **Tech and Innovation** – harnessing the opportunities already present with the growing tech industry in the Comox Valley

¹⁸ Comox Valley Economic Development Society, "Comox Valley Regional Economic Development Strategic Plan Update", April 2013

¹⁹ Comox Valley Economic Development and Tourism, Key Sectors Website Profile, <http://www.investcomoxvalley.com/key-sectors>



Population²⁰

CVRD grew from 59,482 people in 2006 to 63,538 people in 2011.²¹ This change represents a 6.8% growth in population which is comparable to the 7.0% growth that the province of British Columbia experienced during the same time period.

In terms of the age distribution of the population in CVRD, the majority of the population is above the age of 45 years old (as seen in Figure 3). On the whole, CVRD has a significantly lower proportion of its population in the younger age cohorts (20-34 years old in particular) relative to the province of British Columbia. CVRD also has a significantly higher proportion of its population in the older cohorts (55 years old and above in particular) relative to the province.

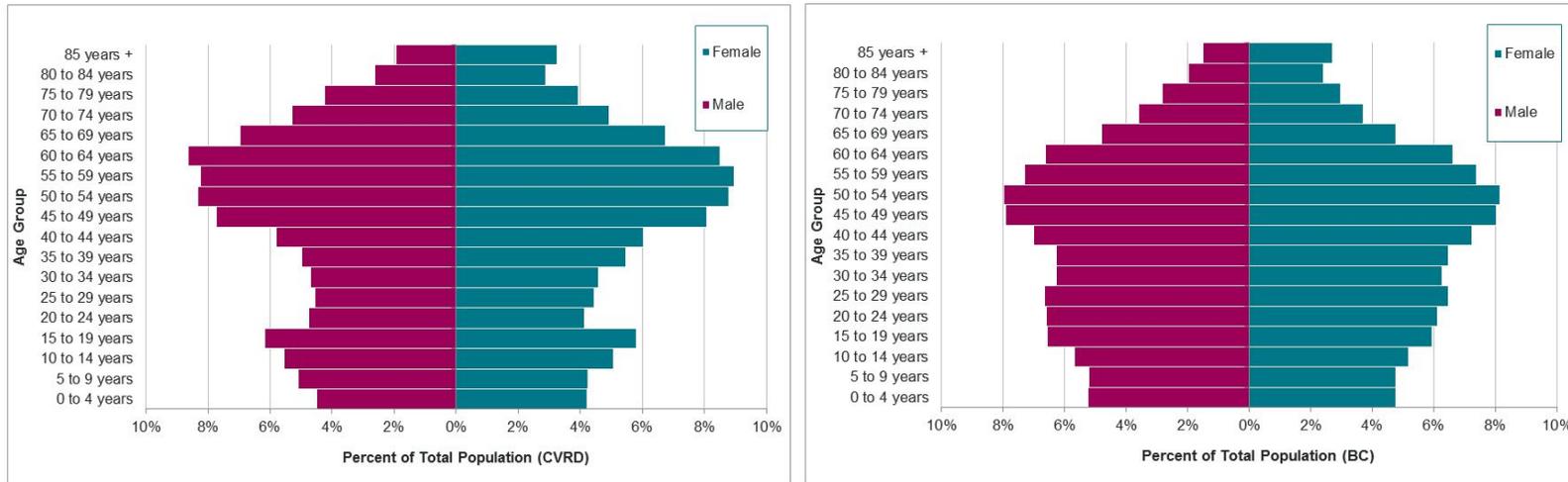
These smaller numbers of both men and women in their prime working age years reflects the influx of retirement age populations choosing CVRD as a place to live. This influx of people likely presents new business opportunities, especially in the services and healthcare sectors, but may also act as a disincentive for companies looking to locate in CVRD as employers find it increasingly difficult to fill vacant positions.

²⁰ Please note that all data in this section is for the Comox Valley Regional District based on available statistics by Statistics Canada. The Comox Valley Regional District includes (as defined by Statistics Canada) the Town of Comox, Comox #1 Indian Reserve, Comox Valley A Regional District Electoral Area, Comox Valley B (Lazo North) Regional District Electoral Area, Comox Valley C (Puntledge – Black Creek) Regional District Electoral Area, the City of Courtenay, the Village of Cumberland, and Pentledge #2 Indian Reserve

²¹ Statistics Canada, National Household Survey, 2011 Census



FIGURE 3: POPULATION PYRAMIDS FOR CVRD AND BC, 2011



Source: Statistics Canada, National Household Survey (NHS) Profile, 2011 National Household Survey, Statistics Canada Catalogue no. 99-004-XWE

Education

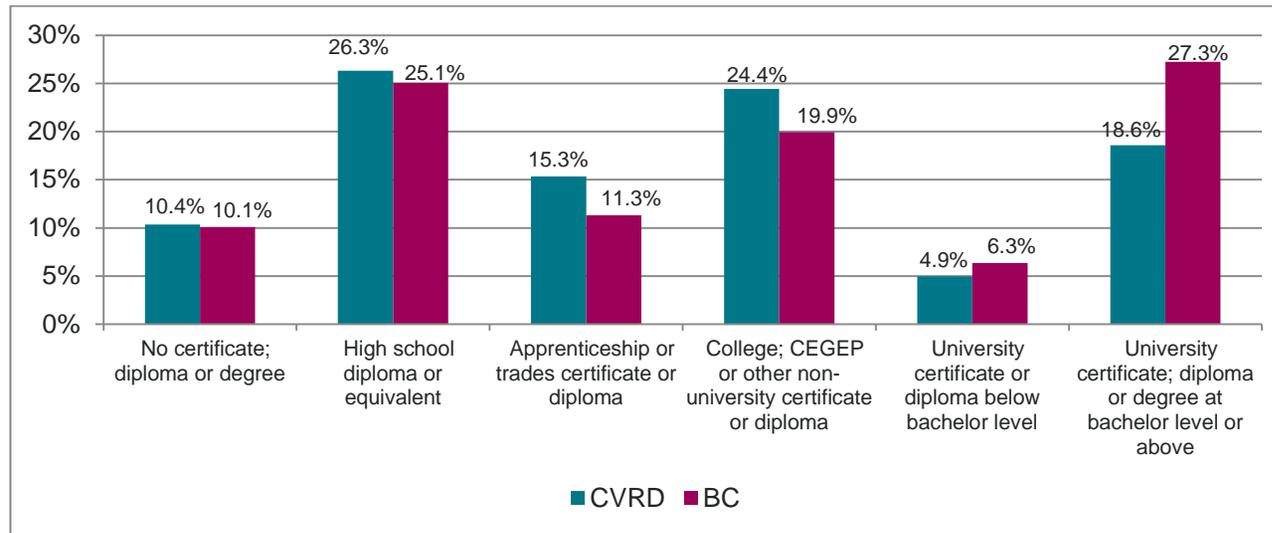
As of 2011, roughly 48% of the 25-64 year old population of CVRD had a college or university certificate/diploma (compared with BC at 53%). Roughly 15% of CVRD’s population had an apprenticeships or trades certificate or diploma, while 26% attained a high school diploma or equivalent as their highest level of education (as seen in Figure 4). Roughly 10% of the population had no certificate, diploma, or degree, a rate which is comparable with the province.

It is interesting to note the higher proportion of the population in CVRD that are trained in apprenticeship or trades programming as well as college (which can be considered overall to be more applied training than university) relative to the province. This higher rate may present good opportunities for companies looking to invest in CVRD that require a more trades-based or technical/applied educational background.

On the other hand, it is also interesting to note the significantly smaller proportion of the population in CVRD that is university trained at a bachelor’s level or above relative to the province (roughly 19% vs. 27% respectively). This lower rate may limit the opportunities to attract certain knowledge-based industries to CVRD.



FIGURE 4: TOTAL POPULATION AGED 25-64 YEARS BY HIGHEST CERTIFICATE, DIPLOMA OR DEGREE, 2011



Source: Statistics Canada, National Household Survey (NHS) Profile, 2011 National Household Survey, Statistics Canada Catalogue no. 99-004-XWE

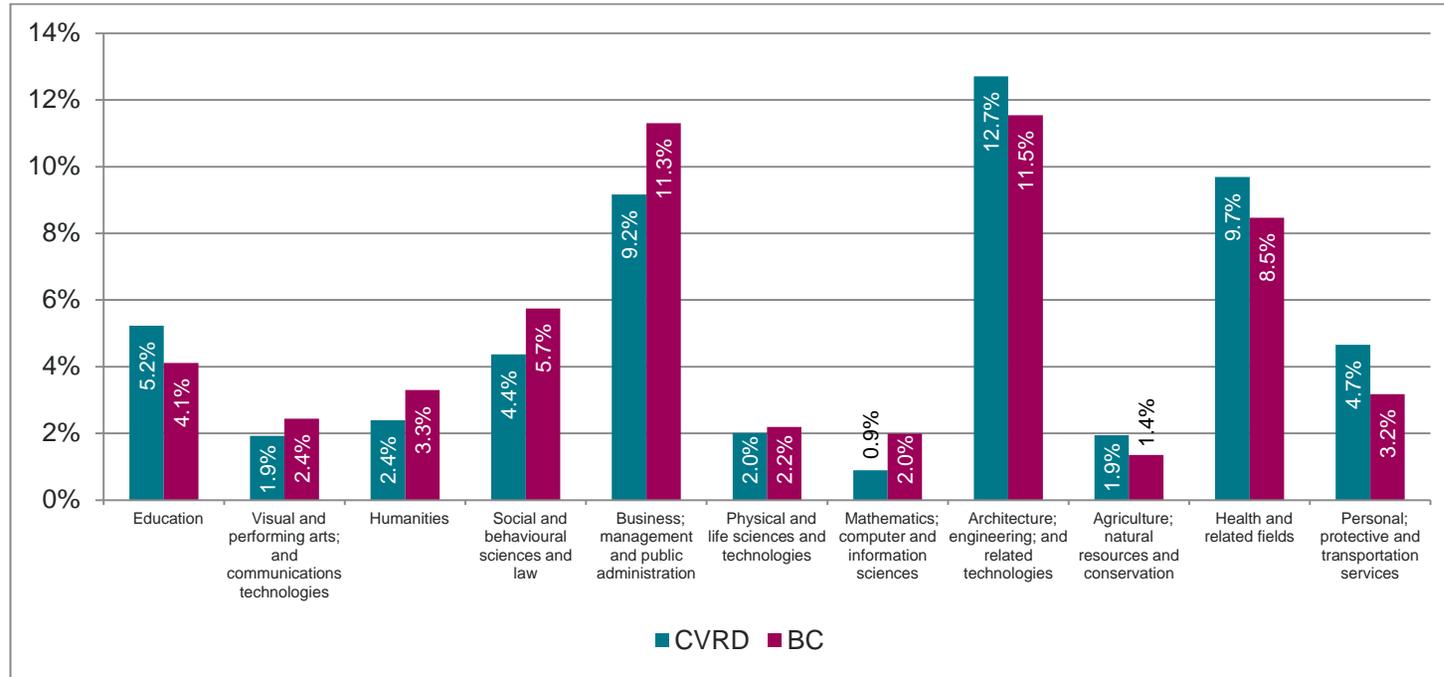
In terms of the major fields of study for the population of CVRD, as of 2011, the largest concentrations of educational background were in:

- Architecture, engineering, and related technologies (12.7%)
- Health and related fields (9.7%)
- Business, management, and public administration (9.2%)

These study areas are on trend with the educational background for the population of BC as a whole, with architecture, engineering, and related technologies and health and related fields (9.7%) playing a larger role for the population of CVRD. It is interesting to note that these fields are some of the leading economic industries in CVRD (as seen in later sections), which may account for their popularity among the population in hopes of increasing the probability of employment after graduation.



FIGURE 5: TOTAL POPULATION AGED 15 YEARS AND OVER BY MAJOR FIELD OF STUDY, 2011



Source: Statistics Canada, National Household Survey (NHS) Profile, 2011 National Household Survey, Statistics Canada Catalogue no. 99-004-XWE

Note: 'Major Field of study' is defined as the main discipline or subject of learning. It is collected for the highest certificate, diploma or degree above the high school or secondary school level and classified according to the Classification of Instructional Programs (CIP) Canada 2011.

Income

The median household total income in CVRD in 2011 was \$55,686. This income was below the median household income for the province of B.C. at \$60,333.²² Employment incomes are relatively low, based on a higher preponderance of seasonal and

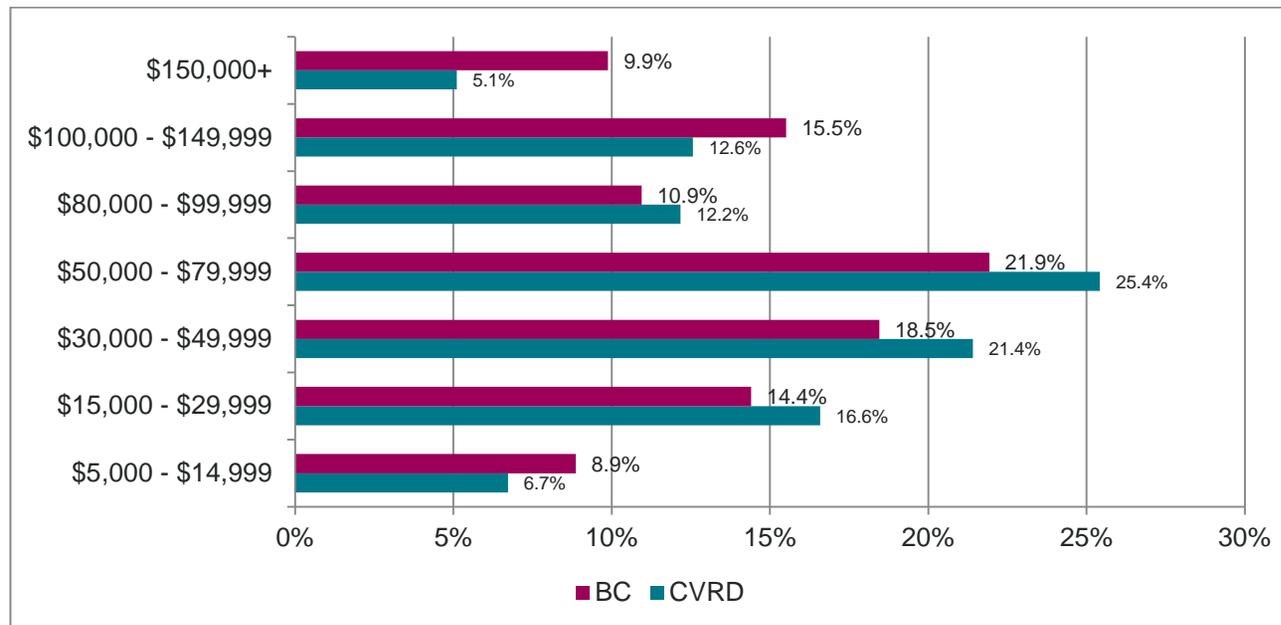
²² Statistics Canada, National Household Survey (NHS) Profile, 2011 National Household Survey, Statistics Canada Catalogue no. 99-004-XWE



part-time work combined with generally lower-paying industries, while pension incomes are high compared to most other BC regions and serve as an important supplement to community income.²³

In terms of the distribution of income by income bracket, CVRD had a higher proportion of the population making middle to high incomes (i.e. between \$50,000 and \$99,999) relative to the province of B.C. (as seen in Figure 6). This data also highlights, however, that there was also a higher proportion of the population making lower incomes (i.e. between \$15,000 and \$49,999) relative to the province. These income-based findings might suggest that CVRD is a more desirable place for industries employing middle income professionals to locate, and a less desirable place for industries employing high income professionals to locate relative to other areas of the province based on historic trends.

FIGURE 6: HOUSEHOLD INCOME BY INCOME BRACKET, 2011



Source: Statistics Canada, National Household Survey (NHS) Profile, 2011 National Household Survey, Statistics Canada Catalogue no. 99-004-XWE

²³ Invest Comox Valley, Comox Valley Regional Economic Development Strategic Plan Update, Appendix B: Economic Analysis, May 2013.



Employment Statistics

The unemployment rate in CVRD was 8.9% in 2011, slightly above the rate of 7.8% in B.C. (as seen in Figure 7). The employment rate in CVRD was 54.8%, significantly below the employment rate for the province at 59.5%. It is also interesting to note that the participation rate in CVRD was 60.1% indicating a relatively low level of people in the work force actively looking for employment. These statistics emphasize the earlier findings that the population of CVRD is generally older and may be retired or close to retirement. As a result, labour force activity in CVRD is less robust relative to the province, which may limit the opportunities that new investments in the area can realize in staffing their operations.

FIGURE 7: EMPLOYMENT STATISTICS, 2011

	CVRD	BC
In the labour force	32,115	2,354,245
Employed	29,265	2,171,465
Unemployed	2,850	182,775
Not in the labour force	21,315	1,292,595
Participation rate	60.1%	64.6%
Employment rate	54.8%	59.5%
Unemployment rate	8.9%	7.8%

Source: Statistics Canada, National Household Survey (NHS) Profile, 2011 National Household Survey, Statistics Canada Catalogue no. 99-004-XWE

Labour Force by Occupation

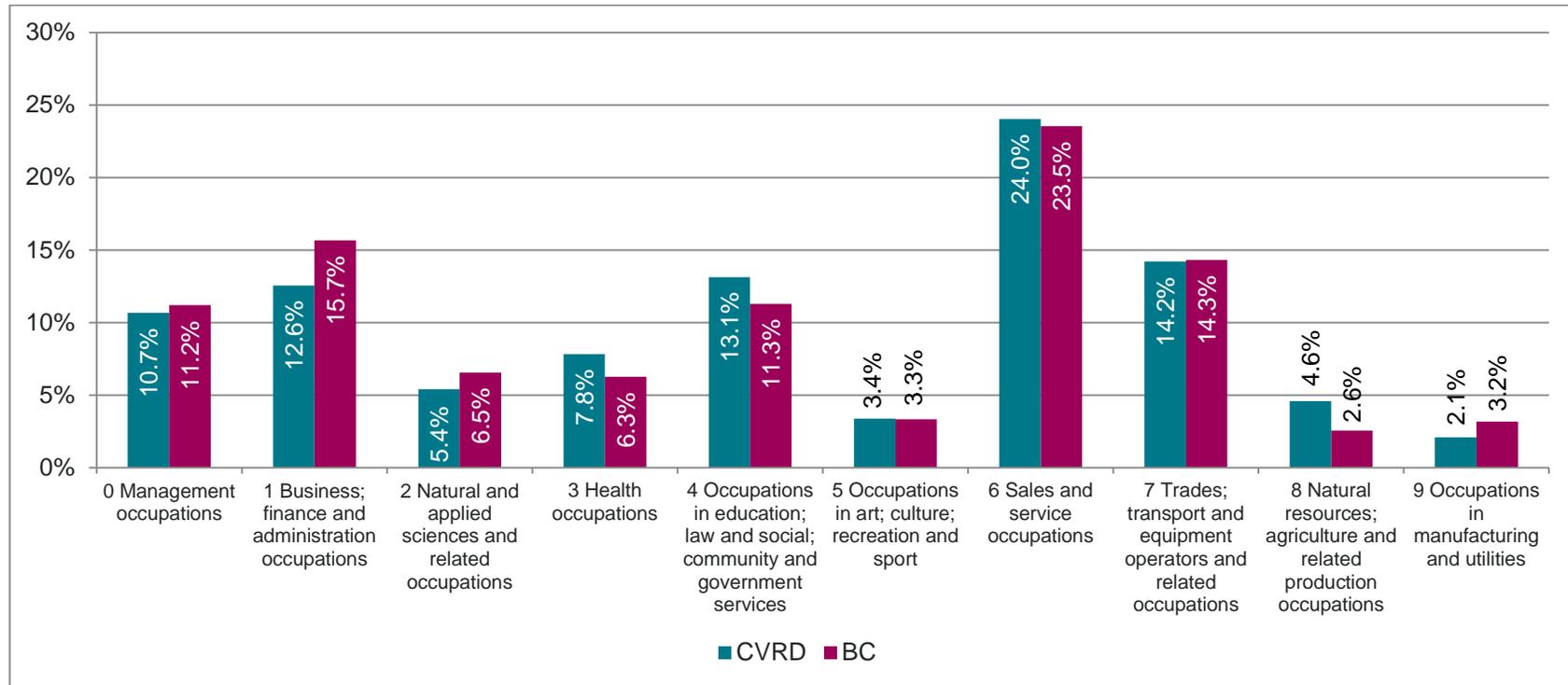
As seen in Figure 8, the top occupational industries in CVRD in 2011 were:

- Sales and service (24.0%)
- Trades, transport and equipment operators and related occupations (14.2%)
- Education, law, and social, community, and government services (13.1%)
- Business, finance and administration (12.6%)
- Management (10.7%)



These concentrations are comparable to levels in B.C., with the exception of the higher concentration of business, finance and administration occupations in B.C. relative to CVRD.

FIGURE 8: TOTAL LABOUR FORCE POPULATION AGED 15 YEARS AND OVER BY OCCUPATION, 2011



Source: Statistics Canada, National Household Survey (NHS) Profile, 2011 National Household Survey, Statistics Canada Catalogue no. 99-004-XWE

Digging deeper into the statistics (see Figure 9), the top occupational categories in 2011 by the number of employed in CVRD were:

- Retail salespersons (1,585 people employed)
- Retail and wholesale trade managers (860 people employed)



- Food counter attendants, kitchen helpers and related support occupations (700 people employed)
- Registered nurses and registered psychiatric nurses (655 people employed)
- Non-commissioned ranks of the Canadian Forces (580 people employed)

With the exception of a few occupations, the majority of the labour force in CVRD is employed in low to medium skill occupations. These positions generally require a college education or apprenticeship training (skill level B), secondary school and/or occupation-specific training (skill level C), or simply on-the-job training (skill level D). These findings are especially important for investment attraction initiatives in CVRD as they highlight that industries requiring low to medium skill may be the most easily matched with local labour pools throughout the area.

FIGURE 9: TOP OCCUPATIONS BY NUMBER OF EMPLOYED, CVRD, 2011

Occupations	Total Employed	Skill Level
Retail salespersons	1,585	C
Retail and wholesale trade managers	860	O
Food counter attendants, kitchen helpers and related support occupations	700	D
Registered nurses and registered psychiatric nurses	655	A
Non-commissioned ranks of the Canadian Forces	580	B
Cashiers	570	D
Elementary school and kindergarten teachers	555	A
Carpenters	550	B
Nurse aides, orderlies and patient service associates	465	C
Administrative officers	455	B
Receptionists	445	C
Administrative assistants	430	B



Occupations	Total Employed	Skill Level
Light duty cleaners	395	D
Landscaping and grounds maintenance labourers	395	D
Accounting technicians and bookkeepers	390	B
Store shelf stockers, clerks and order fillers	385	D
Janitors, caretakers and building superintendents	380	D
Elementary and secondary school teacher assistants	370	C
Early childhood educators and assistants	365	B
Cooks	365	B
Secondary school teachers	355	A
General office support workers	350	C

Source: Statistics Canada, National Household Survey (NHS) Profile, 2011 National Household Survey, Statistics Canada Catalogue no. 99-004-XWE, and Human Resource Development Canada, National Occupational Classification Matrix 2011

Skill Level Definitions - O - Management occupations (skill level A), A - Occupations usually require university education, B - Occupations usually require college education or apprenticeship training, C - Occupations usually require secondary school and/or occupation-specific training, D - On-the-job training is usually provided for occupations

Based on the demographic and economic data presented above, it is clear that the economy of CVRD is based largely on industries that require low to medium skilled workers, with a strong emphasis on technical skills obtained through apprenticeship, trades, and college education. As a result, investment attraction efforts in CVRD may be most successful in targeting industries that require these workers. The relatively older population in CVRD, however, may present staffing difficulties for industries looking to invest in the region.



2.2 Sector Opportunity and Gap Analysis

2.2.1 Current Economic Characteristics

In order to understand the competitive positioning of industries in the Comox Valley, an assessment of the current and potential market capture for the Comox Valley Regional District and the Vancouver Island and Coast Economic Region^{24 25} is presented below. This assessment will focus on the recent and expected performance of each industry sector and will relate that performance to implications on the development of industrial lands in Comox Valley.

In order to establish current market capture, the analysis focuses on recent employment and growth trends and business characteristics within the Economic Region. The resulting analysis provides the Comox Valley with an indication of recent trends in employment and industrial development throughout the broader geographical area. These historical trends can then form the basis for assumptions about industrial market capture across the Comox Valley in the future.

Trends in Employed Labour Force by Sector

The current composition of the employed labour force and the change in the employed labour force since 2004 in the Vancouver Island and Coast Economic Region and the Province of British Columbia are presented in Figure 10.

²⁴ For the purpose of this analysis, the Vancouver Island and Coast Economic Region, will be used to define the potential market capture for the Comox Valley Regional District as it represents the most current employment data available for Comox Valley from Statistics Canada. As defined by Statistics Canada, an economic region is a grouping of complete census divisions created as a standard geographic unit for analysis of regional economic activity. In this case, the Vancouver Island and Coast Economic Region can be used to understand the current economic trends happening throughout the broad regional economy that the Comox Valley Regional District is a part of to shed light on areas of competitive advantage or disadvantage that the communities within the economic region have relative to the province of British Columbia.

²⁵ The Vancouver Island and Coast Economic Region, as defined by Statistics Canada, includes the census divisions for the regional districts of Capital, Cowichan Valley, Nanaimo, Alberni-Clayoquot, Comox Valley, Strathcona, Powell River, Mount Waddington, and Central Coast



The largest sectors in the Vancouver Island and Coast Economic Region by share of total employed labour force in 2014 were:

- Health care and social assistance (15.4%)
- Trade (15.3%)
- Accommodation and food services (8.5%)
- Construction (8.4%)
- Educational services (7.5%)
- Public Administration (6.7%)

Overall, these industry concentrations are relatively similar to the share of total employment by industry at the provincial level. Industry concentrations, however, are higher in the Vancouver Island and Coast Economic Region than the province in health care and social assistance (15.4% vs. 11.8%) and public administration (6.7% vs. 4.3%). Industry concentrations are slightly lower in the economic region compared to the province in manufacturing (5.0% vs. 7.1%), transportation and warehousing (4.2% vs. 5.9%), and finance, insurance, real estate and leasing (4.5% vs. 6.0%).

FIGURE 10: EMPLOYMENT (000'S) AND CHANGE (2004-2014) BY MAJOR SECTOR, VANCOUVER ISLAND AND COAST ECONOMIC REGION AND THE PROVINCE OF BRITISH COLUMBIA

Industry (by NAICS)	Vancouver Island and Coast			British Columbia		
	2004	2014	% Change	2004	2014	% Change
Agriculture	5.3	3.8	-28%	36.0	24.3	-33%
Forestry, fishing, mining, quarrying, oil and gas	9.3	9.4	1%	35.7	50.0	40%
Utilities*	x	1.7	N/A	9.1	13.7	51%
Construction	22.9	29.5	29%	142.1	200.5	41%
Manufacturing	22.2	17.6	-21%	208.4	161.4	-23%
Trade	52.5	54.0	3%	313.0	358.0	14%
Transportation and warehousing	15.0	14.7	-2%	112.6	133.8	19%
Finance, insurance, real estate and leasing	16.8	15.9	-5%	127.9	137.2	7%
Professional, scientific and technical services	17.9	28.4	59%	143.1	182.3	27%
Business, building and other support services	13.3	11.3	-15%	79.6	87.9	10%
Educational services	19.4	26.4	36%	132.4	166.3	26%
Health care and social assistance	43.4	54.1	25%	216.7	269.8	25%
Information, culture and recreation	16.1	15.2	-6%	109.8	107.7	-2%
Accommodation and food services	35.2	29.8	-15%	170.0	185.3	9%
Other services	15.1	16.7	11%	92.7	102.4	10%
Public administration	27.0	23.5	-13%	99.1	97.9	-1%
Total employed (all industries)	332.4	352.0	6%	2,028.3	2,278.4	12%

Source: Statistics Canada, Labour Force Survey, CANSIM Table 282-0125

* Note: "x" signifies that data has been suppressed by Statistics Canada to meet the confidentiality requirements of the Statistics Act



The composition of the economic region's employment base has implications on industrial and employment land development prospects in Comox Valley from a few perspectives. This includes providing an indication of where the region as a whole is well positioned to accommodate investment based on labour force characteristics, which industry trends have influenced labour force development across the region, and what type of previous investment has been driven by labour force growth patterns (e.g. commercial office, light industrial, marine industrial).

In terms of overall employment growth, the Vancouver Island and Coast Economic Region grew by 6% between 2004 and 2014, exactly half of the 12% growth that the province of British Columbia experienced. The industries with the highest employment growth rates for the economic region were:

- Professional, scientific and technical services (59%) – driven by an influx of pre-retirees with a professional background that start their own business that allows them to work on their own terms
- Educational services (36%) – driven by increasing post-secondary accreditation rates
- Construction (29%) – driven by booms in the housing market and the economy in general
- Health care and social assistance (25%) – driven by a growing and aging population

Industries that saw the greatest declines in employment between 2004 and 2014 in the economic region were:

- Agriculture (-28%)
- Manufacturing (-21%)
- Accommodation and food services (-15%)
- Business, building and other support services (-15%)
- Public Administration (-13%)

Business Composition by Sector

There were a total of 6,452 business establishments in CVRD in 2014 (as seen in Figure 11). Among these, the industries with the highest concentrations (based on total number of business establishments) were:

- **53 – Real estate and rental and leasing (16.1%).** Composed mainly of lessors of real estate (763 businesses) and offices of real estate agents and brokers (148 businesses)
- **23 – Construction (13.8%).** Composed mainly of residential building construction (262 businesses), building finishing contractors (193 businesses), and other specialty trade contractors (121 businesses)



- **54 – Professional, scientific and technical services (11.2%).** Composed mainly of management, scientific and technical consulting services (209 businesses) and architectural, engineering and related services (128 businesses)
- **11 – Agriculture, forestry, fishing and hunting (9.4%).** Composed mainly of fishing (196 businesses) and logging (121 businesses)

It is interesting to note that each of these four industries have high rates of self-employment. This self-employment could limit the need for industrial/office space as operations are small and may not require the same operating footprint as larger businesses in the same industry. Over time, however, there may be increased demands as these operations grow (through FDI or other external investment).

FIGURE 11: NUMBER OF BUSINESS ESTABLISHMENTS BY INDUSTRY, COMOX VALLEY REGIONAL DISTRICT, 2014

Industry (NAICS)	Total	Self-Employed	Employer	% Share
11 - Agriculture, forestry, fishing and hunting	606	422	184	9.4%
21 - Mining and oil and gas extraction	33	26	7	0.5%
22 - Utilities	11	5	6	0.2%
23 - Construction	888	556	332	13.8%
31-33 - Manufacturing	161	89	72	2.5%
41 - Wholesale trade	116	63	53	1.8%
44-45 - Retail trade	536	214	322	8.3%
48-49 - Transportation and warehousing	211	136	75	3.3%
51 - Information and cultural industries	44	31	13	0.7%
52 - Finance and insurance	297	210	87	4.6%
53 - Real estate and rental and leasing	1,038	925	113	16.1%
54 - Professional, scientific and technical services	720	499	221	11.2%
55 - Management of companies and enterprises	137	120	17	2.1%
56 - Administrative and support, waste management and	272	167	105	4.2%



Industry (NAICS)	Total	Self-Employed	Employer	% Share
remediation services				
61 - Educational services	80	45	35	1.2%
62 - Health care and social assistance	538	293	245	8.3%
71 - Arts, entertainment and recreation	117	76	41	1.8%
72 - Accommodation and food services	231	95	136	3.6%
81 - Other services (except public administration)	402	217	185	6.2%
91 - Public administration	14	0	14	0.2%
Total	6,452	4,189	2,263	100%

Source: Statistics Canada, Canadian Business Patterns, December 2014

* All figures presented in the table represent businesses in “classified” industries. A total of 495 unclassified business were not included in the table counts as they cannot be attribute to specific industries (as per Statistics Canada’s data collection methods)

** Note that due to changes in Statistics Canada’s data collection methods, 2014 business patterns data should not be compared with previous year’s business patterns data. For this reason, 2014 is presented as a stand-alone to give an impression on the concentration of business establishments.

Based on the business and employment data presented above for CVRD and the Vancouver Island and Coast Economic Region, it is clear that there has been significant investment across a range of industrial and knowledge-based sectors of the economy in the Comox Valley. This data suggests that CVRD and the economic region are well positioned to potentially accommodate a range of investments on employment lands.

2.2.2 Potential Sector Growth Trends

Diving deeper into the employment figures and trends for the Vancouver Island and Coast Economic Region, Figure 12 and Figure 13 (presented below) highlight potential areas of market capture for the Comox Valley based on recent employment



trends. These areas of opportunity are highlighted by comparing the relative concentration of industries by Location Quotient²⁶ with the historical growth trends in export oriented/non-retails sectors (Figure 12) and population related sectors (Figure 13).

For export oriented/non-retails sectors, the economic region shows existing and emerging strength in:

- Professional, scientific and technical services
- Forestry, fishing, mining, quarrying, oil and gas (does not include aquaculture)
- Construction

Over the last 10 years, each of these sectors have grown (with the strongest growth coming from professional, scientific and technical services and construction) leading to high relative concentrations of employment throughout the economic region.

In addition to these growing industries, the data for the economic region highlights that agriculture is more of an established industry in the economic region. This highlights the important role agriculture has historically played but is now experiencing contractions in annual growth over the past ten years perhaps due to shifts in the sector towards more niche agriculture and agri-tourism products.

Furthermore, four industries exhibit more of a transitional nature of growth, which could limit their potential to emerge as drivers of the economy for the economic region. These industries are

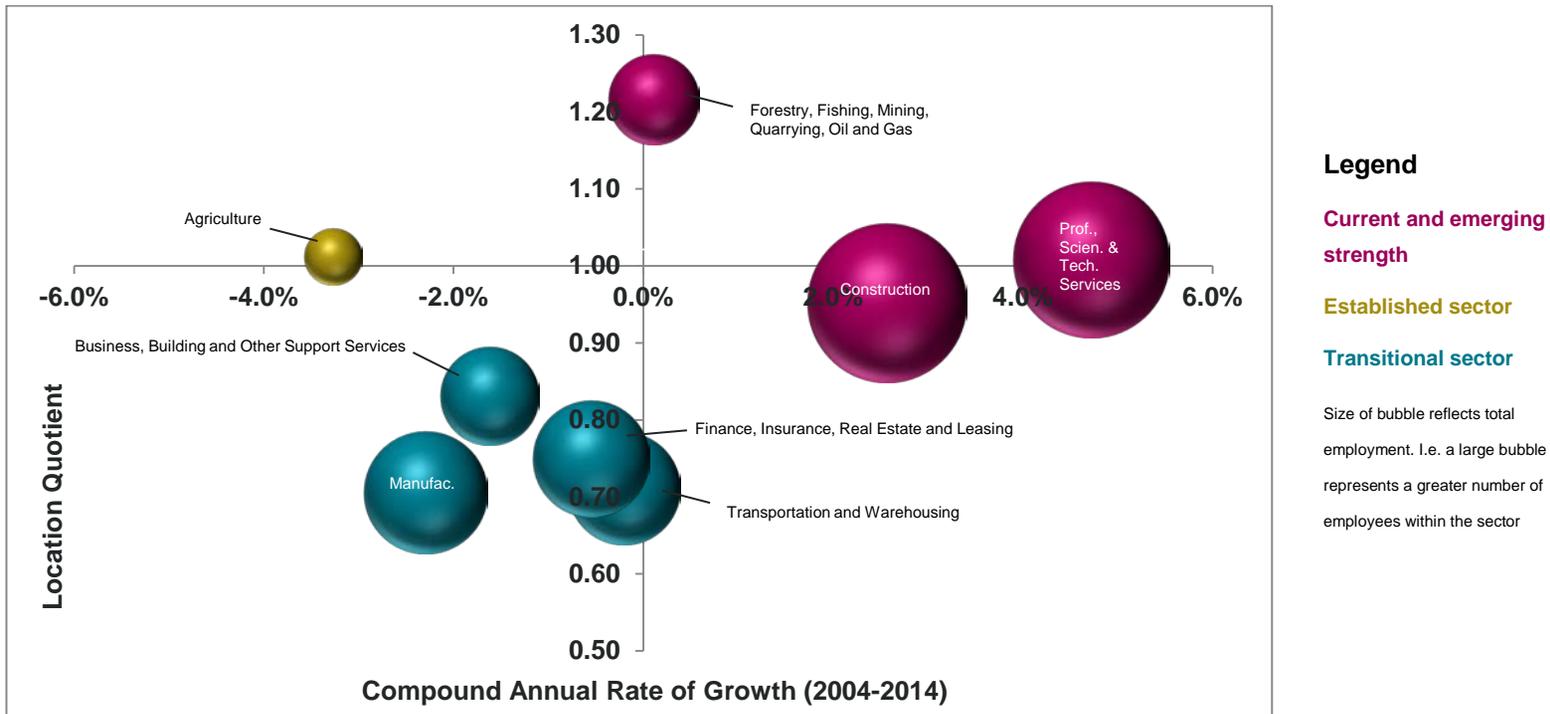
- Business, building and other support services
- Manufacturing
- Transportation and warehousing
- Finance, insurance, real estate and leasing.

Any future growth in these industries is likely to come from niche opportunities associated with each sector.

²⁶ A Location Quotient (LQ) measures the concentration of economic activity in a local area (e.g. the Vancouver Island and Coast Economic Region) relative to an over-arching area (e.g. British Columbia). An LQ of over 1.25 suggests a local relative concentration of activity (one indicator of a potential local competitive advantage), whereas an LQ of under 0.75 suggests that a concentration of activity does not exist (one indicator of a potential local competitive disadvantage).



FIGURE 12: EMPLOYMENT CONCENTRATION AND CHANGE IN PREDOMINANTLY EXPORT-ORIENTED / NON-RETAIL SECTORS, VANCOUVER ISLAND AND COAST ECONOMIC REGION, 2004-2014



Source: Statistics Canada, Labour Force Survey, CANSIM Table 282-0125, adapted by MDB Insight

For population related sectors, the economic region shows existing strength in:

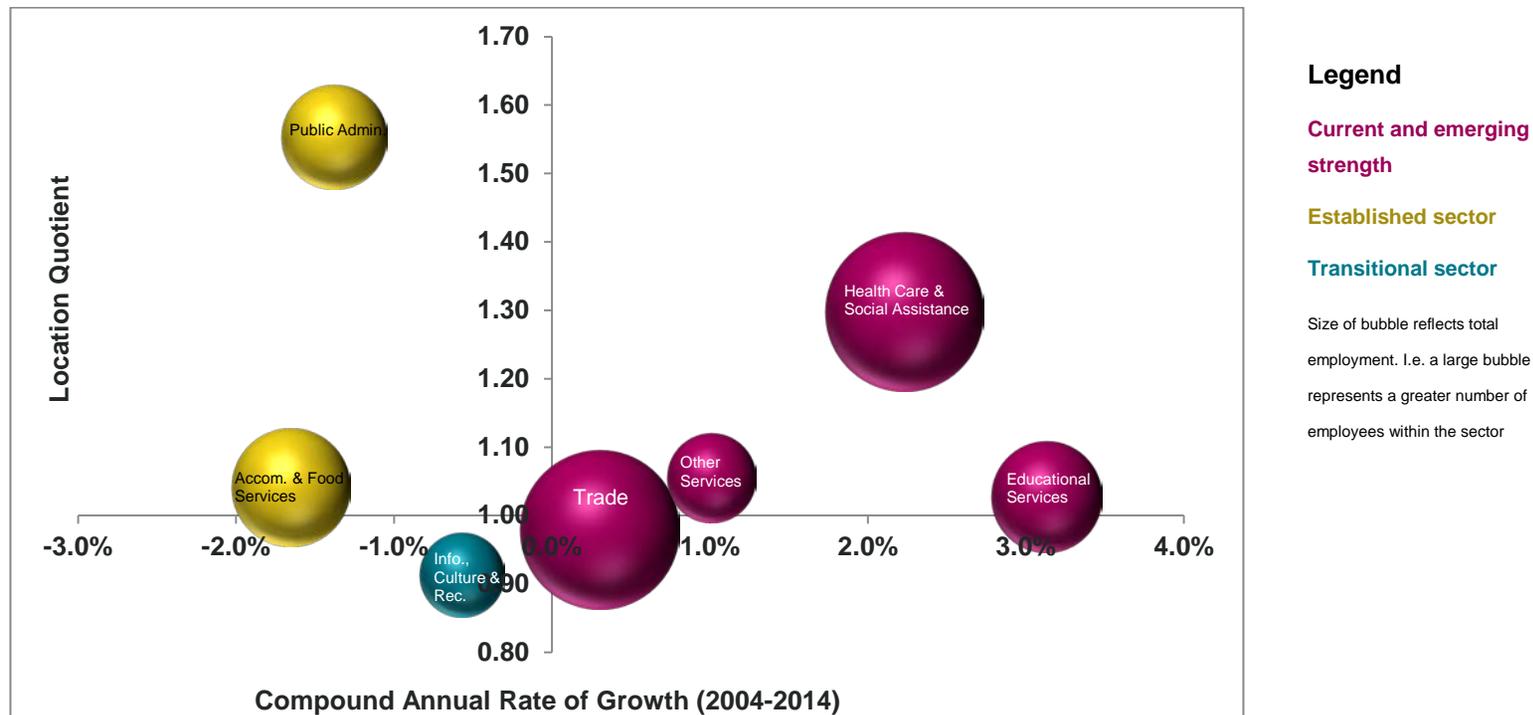
- Health care and social assistance
- Educational services
- Other services
- Trade (primarily retail)



Each of these four sectors has grown over the last 10 years leading to high relative concentrations of employment throughout the economic region.

In addition to these growing industries, the data for the economic region highlights that public administration and accommodation and food services are both more established industries in the economic region. This maturity highlights the important role each industry has historically played but are now experiencing contractions in annual growth over the past ten years.

FIGURE 13: EMPLOYMENT CONCENTRATION AND CHANGE IN PREDOMINANTLY POPULATION-RELATED SECTORS, VANCOUVER ISLAND AND COAST ECONOMIC REGION, 2004-2014



Source: Statistics Canada, Labour Force Survey, CANSIM Table 282-0125, adapted by MDB Insight



Furthermore, the information, culture and recreation industry exhibits more of a transitional nature of growth that would limit its potential to emerge as a driver of the economy for the economic region. Any future growth in this industry is likely to come from niche opportunities from within various sub-sectors.

Shift Share Analysis

A competitive shift share analysis highlights the ability of a local economy (in this case the Vancouver Island and Coast Economic Region) to capture an increasing or decreasing share of a particular industry's growth relative to a broader economy (in this case the province of British Columbia). A positive competitive share may indicate that the economic region is more competitive in securing additional employment relative to the rest of the province in that industry whereas a negative competitive share may indicate that the economic region is less competitive in securing additional employment.

As seen in Figure 14, there are five industries that the economic region has a positive competitive share of employment relative to the province. These include:

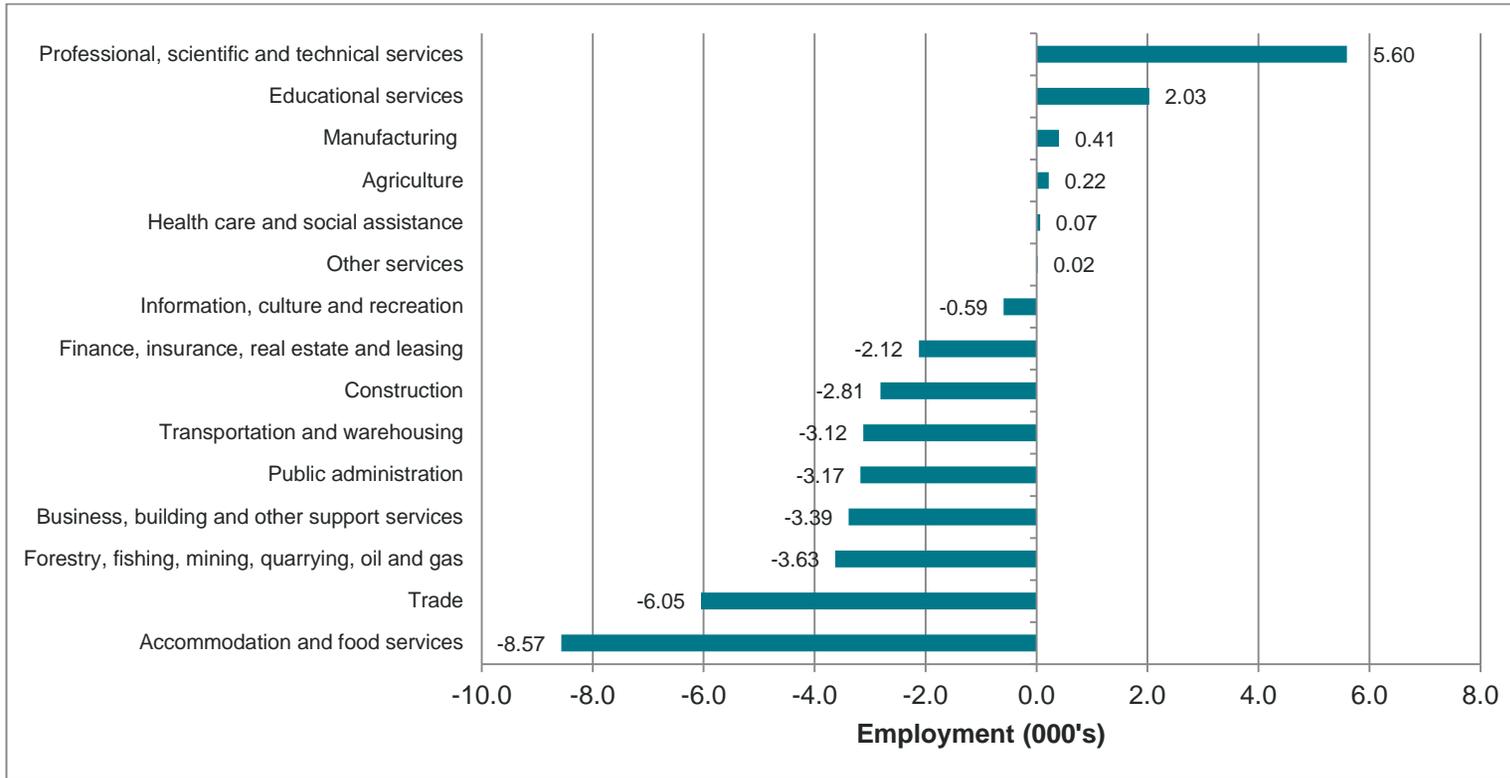
- Professional, scientific and technical services (an increase of 5,600 people employed)
- Educational services (an increase of 2,030 people employed)
- Manufacturing (an increase of 410 people employed)
- Agriculture, including aquaculture (an increase of 220 people employed)
- Health care and social assistance (an increase of 70 people employed)

These positive values suggest that the economic region may have a competitive advantage for securing and accommodating businesses that generate these types of employment relative to the rest of British Columbia. As a result, these sectors represent likely areas of industrial and office growth for the economic region and should be considered as potentially high-priority targets for investment attraction activities. Any future development opportunities in the economic region should consider ways to further harness the local advantages present that are driving these increases in employment for each industry as well as the locational requirements each industry may have.

Sectors with a declining regional competitive share of employment illustrate potential competitive disadvantages within the economic region. These industries may still represent targets for future industrial development in the region but will require a much more proactive approach in attracting and facilitating investment in these industries.



FIGURE 14: REGIONAL COMPETITIVE SHARE OF EMPLOYMENT BY INDUSTRY, VANCOUVER ISLAND AND COAST ECONOMIC REGION, 2004-2014



Source: Statistics Canada, Labour Force Survey, CANSIM Table 282-0125

2.2.3 Sector Targeting Conclusions

Based on the employment and business trends for CVRD and the Vancouver Island and Coast Economic Region, a number of important industries can be identified to support investment attraction efforts in the Comox Valley. Priority export-oriented/non-retail industries exhibiting current or emerging strength in the Comox Valley are:



- **Professional, scientific and technical services (current strength)** – driven largely by management, scientific and technical consulting services and architectural, engineering and related services
- **Construction (current strength)** – driven largely by residential building construction, other heavy and civil engineering construction, building finishing contractors, and other specialty trade contractors
- **Forestry, fishing, mining, quarrying, oil and gas (high priority retention target)** – driven largely by the forestry and fishing sectors, including forest nurseries and gathering of forest products, fishing, support activities for forestry (i.e. pest control services, log hauling in the forest, timber cruising and valuation, etc.), logging, and greenhouse, nursery and floriculture production

Other export-oriented/non-retail industries that should be considered where some limited niche opportunities for growth may exist in the long-term are:

- **Manufacturing (weak local base and challenging external conditions but regional competitiveness)** – driven largely by sugar and confectionery product manufacturing, dairy product manufacturing, metal product fabrication (e.g. boiler, tanks and shipping containers, springs, wire), seafood product preparation and packaging, and veneer, plywood and engineered wood product manufacturing
- **Agriculture, including aquaculture (strong local base and regional competitiveness but challenging external conditions)** – driven largely by aquaculture, support activities for animal production (i.e. breeding services for livestock, artificial insemination services, cattle registration service, etc.), hog and pig farming, other animal production (i.e. apiculture, horse and other equine production, fur-bearing animal and rabbit production, etc.), and sheep and goat farming
- **Transportation and warehousing** – driven largely by support activities for air transportation (i.e. airport operations, servicing aircraft, repairing and maintaining aircraft, and inspecting and testing aircraft), support activities for water transportation (i.e. marine cargo handling, navigational services to shipping, ship repair and maintenance (not done in a shipyard, and lighter operations, etc.), deep sea and coastal water transportation, and other transit and ground passenger transportation (i.e. shuttle services to airports and similar facilities, special needs transportation services, etc.)
- **Tourism and resort development** – driven largely by heritage institutions, traveller accommodation, full-service restaurants and limited-service eating places, scenic and sightseeing transportation (water), recreational vehicle (RV) parks and recreational camps, other amusement and recreation industries (i.e. golf courses, skiing facilities, marinas, recreational, sports and fitness centres, etc.), and special food services (i.e. food service contractors, caterers, and mobile food services)

All of these industries highlight that a range of opportunities for new investments in employment lands throughout the Comox Valley might exist, based on broader trends across the economic region. These opportunities are likely to generate demand for a variety of built forms ranging from partially-serviced or privately serviced lots that allow uses like outdoor storage, general



industrial and manufacturing sites, prestige-type light and medium industrial developments that require integrated office and industrial spaces (particularly for engineering companies or other professional services), and/or standalone office uses. This range of industries and needs reinforces the need for flexible policies within the Comox Valley that allow for sustainable development and regional competitiveness.

Some population related industries also exhibit strengths that should be considered when forecasting demand for employment and industrial lands in the Comox Valley based on their need for office and commercial facilities (these industries, however, should be considered lower priority relative to the export-oriented/non-retail industries listed above). These industries are:

- **Educational services (current strength)** – driven largely by community colleges, business schools, and computer and management training
- **Health care and social assistance (current strength)** – driven largely by other ambulatory health care services (i.e. ambulance services, blood banks, blood donor stations, organ banks, blood pressure screening services, etc.), other residential care facilities (i.e. transition homes for women, homes for emotionally disturbed children, camps for delinquent youth, group foster homes, orphanages, etc.), offices of other health practitioners (i.e. chiropractors, optometrists, mental health, physical, occupational, and speech therapists and audiologists, etc.), individual and family services, home health care services, general medical and surgical hospitals, and child day-care services

2.3 Comparative Benchmarking

A variety of comparator communities were selected to compare and contrast trends in CVRD with other regional districts in B.C. These comparator communities were chosen based on their community characteristics and location, with a focus on communities that are of a similar size to those in the Comox Valley, as well as with which the Comox Valley may compete for external investment in similar key sectors of activity.

The comparator communities include:

- Campbell River/Strathcona Regional District
- Duncan/Cowichan Valley Regional District (CVRD)
- Nanaimo/Regional District of Nanaimo (RDN)
- Penticton/Regional District of Okanagan-Similkameen (RDOS)
- Vernon/Regional District of North Okanagan (RDNO)



In an effort to balance data availability with the most current data available, comparisons are made at the regional level by using data for the Census Division (CD) or Regional District, as well as data from the largest municipality within the Census Agglomeration (CA)²⁷ in each regional district for fiscal indicators.

As seen in Figure 15, CVRD is expected to see among the highest population growth between 2011 and 2041 relative to comparator regions (31% growth expected, only behind Nanaimo RD which is projected to grow by 35%). This population growth is coupled with a slight increase in the share of the population aged between 25 and 34 years old. Taken together, the median age of the population of CVRD is projected to become slightly younger, from 48.3 years old in 2011 to 47.2 years old in 2041. This significant decrease in the median age of the population is unique to CVRD and Nanaimo RD among comparator communities.

The population in CVRD is also relatively well educated relative to the populations in comparator regions. Roughly 55% of the population (15+) of CVRD has post-secondary education, of which 16% of that is at least a Bachelor's Degree. Nanaimo RD is the only other comparator with higher levels (which are only slightly higher). Despite this high level of education, however, the unemployment rate is high in CVRD at 8.9% (though on the lower end when compared with comparator regions).

Finally, in terms of the labour force by skill level, the labour force in CVRD is relatively more skilled than in other comparator regions. The CVRD labour force is in the top ranking for skill levels "A-Professional" (15%) and "B-College/Apprenticeship" (35%) and has among the lowest proportion of the labour force in the lower skill levels (i.e. C and D).

Taken altogether, a decreasing median age in CVRD coupled with a highly educated population that is capable of filling jobs that require high skill levels positions CVRD very well for new investment in the region relative to the comparator regions. These qualities are extremely important to investors looking for the next community to operate their business from and should be marketed accordingly in any FDI marketing materials.

²⁷ A Census Agglomeration is an area with an urban core of at least 10,000 people that includes surrounding municipalities and rural areas that have strong economic linkages to the central core (as measured by worker commuting patterns). There are two rural Electoral Areas in the Comox Valley Regional District that are not part of the Courtenay CA – these are Area K (Denman and Hornby Islands) and Area C to the north and west of the Courtenay-Comox urban core



FIGURE 15: KEY EMPLOYMENT LAND DEVELOPMENT AND FDI INFLUENCING INDICATORS

Indicator	Comox Valley RD	Cowichan Valley RD	Nanaimo RD	Strathcona RD	North Okanagan RD	Okanagan-Similkameen RD
Demographic Characteristics						
2011 Population	64,417	81,485	148,770	43,928	82,391	81,639
2041 Population	84,290	103,607	200,811	51,513	102,771	93,878
Population Growth, 2006 to 2011	7%	4%	6%	3%	5%	2%
Population Growth, 2011 to 2041	31%	27%	35%	17%	25%	15%
Average Annual Growth	0.9%	0.8%	1.0%	0.5%	0.7%	0.5%
2011 Population 25-34 (% of total)	9%	9%	9%	10%	10%	8%
2041 Population 25-34 (% of total)	10%	10%	10%	11%	10%	8%
2011 Median age	48.3	47.2	49.3	46.3	47.2	52.0
2041 Median Age	47.2	47.8	48.8	46.3	47.1	53.8
Labour Force Characteristics						
Population (15+) with Post-secondary	55%	52%	56%	50%	51%	50%
Population (15+) with at least Bachelor's Degree	16%	14%	17%	12%	12%	12%
Participation Rate (%)	60.1	58.7	57	61.4	59.7	53.8
Employment Rate (%)	54.8	54.1	51.9	55.6	54.1	48.9
Unemployment Rate (%)	8.9	7.8	8.9	9.6	9.4	9.1
Labour Force by Skill Level						



Indicator	Comox Valley RD	Cowichan Valley RD	Nanaimo RD	Strathcona RD	North Okanagan RD	Okanagan-Similkameen RD
0-Management	11%	12%	11%	10%	11%	14%
A-Professional	15%	14%	15%	12%	14%	13%
B-College/Apprenticeship	35%	35%	33%	36%	31%	32%
C-High school/Job-specific	26%	26%	28%	28%	30%	28%
D-On-the-job Training	12%	13%	13%	13%	14%	14%

Source: Statistics Canada, Census of Canadian Population, National Household Survey, 2011, BC Stats, Sub-provincial Population Projections – P.E.O.P.L.E., 2015

As seen in Figure 16, residential tax payers in CVRD have a relatively larger share of the tax burden than in other comparator jurisdictions. Comox and Cumberland in particular have the largest share of municipal tax revenues coming from residential relative to the comparator jurisdictions (94% and 88% respectively). Courtenay, on the other hand, has a more diversified tax base with 81% of tax revenues coming from residential and 19% coming from business.

It is important to note here that maintaining and expanding a strong non-residential tax base is an essential component of municipal financial sustainability due to the higher tax rates paid on industrial and business properties. These higher tax rates provide additional revenue to local governments to provide services for residents and also help to moderate the tax burden on local residents. In this way, Comox and Cumberland appear to be doing less well relative to Courtenay and other comparator jurisdictions as far as tax distribution within the communities goes, which may affect their abilities to attract new talent to the communities and ensure long-term municipal fiscal sustainability.



FIGURE 16: GENERAL PURPOSE ASSESSMENT SHARE, 2014

Indicator	Comox (Comox Valley)	Courtenay (Comox Valley)	Cumberland (Comox Valley)	Duncan (Cowichan Valley)	Nanaimo (Nanaimo)	Campbell River (Strathcona)	Vernon (North Okanagan)	Penticton (Okanagan- Similkameen)
Residential	94%	81%	88%	77%	84%	86%	82%	81%
Business²⁸	6%	19%	11%	23%	16%	12%	17%	18%

Source: DataBC, 2015

2.4 Consultation Summary

A number of consultation activities were used to engage local and regional stakeholders to help inform the research and recommendations in this report. These consultation activities incorporated perspectives from industry representatives, regional industry associations, municipal and First Nation leadership, CVRD staff, and commercial and industrial real estate brokers.

Three main outreach activities were used during consultations:

- **Stakeholder Interviews** – A total of 11 telephone interviews were conducted with commercial and industrial real estate brokers as well as regional industry associations in the Comox Valley. These interviews averaged 20-30 minutes in length and were structured with open-ended questions to generate discussion on the current strengths, challenges, and opportunities associated with current industrial and commercial/office space development in the region, emerging markets for investment, and top priorities to consider in the Strategy.
- **Online Survey** – An online survey was distributed targeting industries operating in the Comox Valley to generate input into satisfaction with current business support infrastructure and services in the Comox Valley, expectations on employment and physical space needs and changes in the coming years, assets and challenges of doing business in the Comox Valley, and opportunities worth considering for the future. A total of 61 businesses participated in the online survey.

²⁸ Business assessment base includes general purpose assessment values reported for Class 4 – Major Industry (i.e. land and improvements used for mining, processing, manufacturing, extraction, smelting, refining, and marine transport), Class 5 – Light Industry (i.e. land and improvements used for extraction, processing, manufacturing, and transportation as well as associated storage and warehousing that is not included in Class 2 – Utilities or Class 4 – Major Industry), and Class 6 – Business and Other (i.e. all land and improvements not included in any of the other classes, namely commercial office and retail), as prescribed by the Lieutenant Governor in Council.



- **Focus Groups** – Two focus group discussions were hosted as well as a number of less formal conversations with various stakeholders in the Comox Valley (municipal and K'ómoks First Nation representatives in particular). Focus groups were hosted with industrial and commercial businesses/users and with technology sector representatives and covered a variety of topics, including current strengths and challenges associated with current industrial and commercial/office space development in the region, opportunities for the sector, expectations on land use pattern change in the region, and infrastructure and support services that are missing in the Comox Valley.

A summary of all consultation findings is presented in this section.

Please note that all results in this section come directly from consultation participants and do not necessarily reflect the thoughts or opinions of the project team, CVEDS, CVRD, or any of the three municipalities in the Comox Valley.

2.4.1 Key Consultation Findings

Overall, consultation participants identified that there has been very little in the way of commercial or industrial development in the Comox Valley over the past 10 years. It was recognized that some development has occurred during that timeframe, but that it has mostly been in the retail sector with new malls or box stores coming into the region.

Despite this stagnant growth, there is recognition that the Comox Valley has many opportunities to attract new investments into the region. These opportunities are mostly seen to be in the expansion and innovation of agriculture and aquaculture production in the region, tourism development (e.g. Mount Washington and Saratoga Beach), developing new skill or knowledge-based industries (such as becoming a tech hub), and serving the large ageing population of the region. Core strengths to build on in order to realize these opportunities includes enhancing and harnessing the region's good transportation infrastructure (including through air freight operations at the airport), attracting and retaining talent through the marketing of the exceptional quality of life in the Comox Valley, and marketing more heavily the large benefits of operating a business in the region (such as lower land costs).

Many important challenges were viewed as barriers by stakeholders in achieving these opportunities. Top among them are issues around permitting and bureaucratic processes that are not business friendly. Also, political leadership in the region is seen to be competing with each other for resources and are not seen to be creating enough good partnerships or collaborative opportunities to better the region as a whole. Challenges getting support from the public for industrial and commercial development and difficulty in accessing a young and talented workforce were also identified as very pressing concerns.



In order to capitalize on the opportunities and work to overcome the challenges identified, consultation participants would like to see the following three priorities emerge from the Employment and Industrial Lands-Based FDI Strategy:

- Creating a Strong Regional Environment for Collaboration and Partnership
- Enhancing Regional Development Processes
- Proactively Marketing the Region for More Investment

Business and Industry Perspectives

The majority of businesses that participated in the consultation activities (the survey in particular) expect employment to increase over the next five years largely due to population increases in the region, growing export markets in China and India, growth in local tech capacity, an increasing awareness of the Comox Valley and opportunities within the region, and generally expanding product lines and increased demand for services.

There is a relatively even split between businesses needing additional physical space for their business in the next five years. Of the roughly half that will need more space, about half will need that space in the next one to two years, a third will need it in three to four, and the remainder in five years. Just over half of those businesses that will need space don't anticipate having any challenges finding it in the Comox Valley, whereas just under half do anticipate having challenges due to space/land being expensive and unsuitable for their needs and/or needing rezoning.

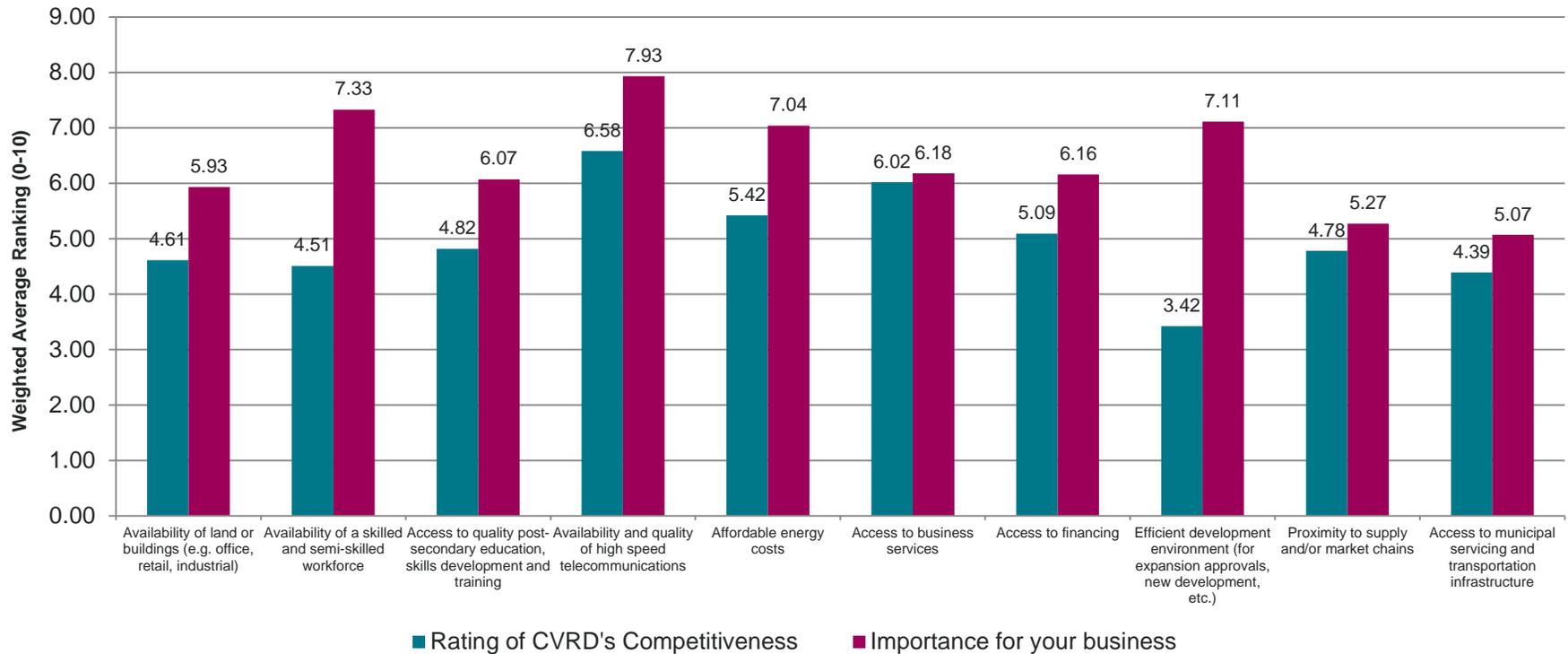
As seen in Figure 17, there are a number of areas where businesses identified that the business environment in the Comox Valley is falling short of their needs and is relatively uncompetitive. The largest areas of difference between the rankings by businesses on their identified needs and the perceived competitiveness/performance in the Comox Valley are:

- **Efficient development environment (for expansion approvals, new development, etc.)** – rated with a weighted average ranking of 3.42 out of 10, whereas business rate the importance of this variable to their operations at 7.11
- **Availability of a skilled and semi-skilled workforce** – rated with a weighted average ranking of 4.51 out of 10, whereas business rate the importance of this variable to their operations at 7.33
- **Affordable energy costs** – rated with a weighted average ranking of 5.42 out of 10, whereas business rate the importance of this variable to their operations at 7.04

It is interesting to note that businesses ranked the competitiveness/performance of all variables lower than the levels of importance they would like for each variable. This provides more insight into the perceptions that businesses have of an unfavourable business environment in the Comox Valley.



FIGURE 17: RANKINGS OF THE IMPORTANCE OF A SERIES OF VARIABLES TO THE SUSTAINABILITY OF RESPONDENT BUSINESSES IN THE COMOX VALLEY AND THE PERCEIVED COMPETITIVENESS/PERFORMANCE OF EACH VARIABLE IN THE COMOX VALLEY



2.4.2 Detailed Consultation Results

Please note that all results in this section come directly from consultation participants and do not necessarily reflect the thoughts or opinions of the project team, CVEDS, CVRD, or any of the three municipalities in the Comox Valley.



What are the greatest strengths or assets that can help drive industrial and commercial/office development growth in the Comox Valley?

Access to Transportation

Despite being a relatively remote region, the Comox Valley is connected to a number of important transportation access points that help to position it as a hub for the northern part of the island. These transportation points include:

- Access to a first class regional airport with two major airline carriers servicing the airport and large potential for capacity expansion due to the fact that the airport is part of a larger military air base
- Good highway connectivity to Nanaimo and the southern parts of Vancouver Island
- Access to trucking services
- Access to float planes that can fly to downtown Vancouver in 40 minutes

Exceptional Quality of Life

One of the most consistently mentioned strengths is the exceptional quality of life in the Comox Valley. This quality of life includes many factors that help to attract and retain talent to the region (especially skilled workers that can work from anywhere) as well as retirees from across North America. These quality of life factors include:

- Access to a variety of experiences and lifestyles (e.g. within 30-40 minutes there is a wide range of different natural environments, within a 15 minute radius people can have an urban single-detached house or 10 acres of land)
- Affordable housing prices
- Walkability
- Access to a variety of amenities
- Consistently good and comfortable climate
- Newly built hospitals and health infrastructure
- A fabulously beautiful natural environment and scenery

Strong Value Proposition for Industrial and Commercial Development

The Comox Valley has a relatively strong and well defined value proposition for industrial and commercial development. This value proposition is largely based on the fact that real estate values for commercial properties and cost of operating a business are much lower relative to the lower mainland and the southern parts of Vancouver Island, the region has a highly educated workforce (from retirees especially) and access to a large labour pool (from youth especially), there is a large amount of



available land in the region, and marketing and branding of the region has already been happening that has increased awareness of the Comox Valley. In addition, the development community in the Comox Valley is seen to be very savvy and well financed which has helped to drive some new development for the area.

Successful Regional Industries

The Comox Valley is already home to a number of already established and successful industries. These industries drive the economy of the Comox Valley and offer new opportunities to innovate and diversify based on the knowledge and expertise that is already driving success in the region. The top industries mentioned all relate to the resources of the region, including most prominently aquaculture, agriculture, and access to raw materials and the potential for new innovations to take place in these industries, such as agri-based industrial development or value added agricultural processing.

First Nations communities in close proximity to the Comox Valley are recognized as important leaders in some of these industries through good business investments and a large land base to work from (especially in aquaculture) and should be partnered with.

What potential barriers and limitations do you see for industrial and commercial/office land development in the Comox Valley?

Issues around Permitting and Administrative Processes

Consultation participants generally think that CVRD and the municipalities within have too many regulations that create zoning that is too restrictive, dysfunctional permitting and application processes that make the region unfriendly to business (based especially on time and bureaucracy that is needed for these processes), and development charges that act as a significant barrier to new investment. In this way, one of the largest challenges identified is that the region is not set-up well to attract new investments. As a result of this misalignment between government needs and business needs, there is the sentiment that it is becoming increasingly difficult to realize long-term economic development visions for the region.

Lack of Vision and Collaboration between Political Leadership in the Region

Conflicting interests and a lack of strong collaboration between municipalities, the Regional District, and First Nations has made it difficult to attract new investment to the region and has slowed (and sometimes prevented) the success of existing projects. The perception is that these various groups are all “fighting for a finite piece of the pie” without any coherent growth strategy for the region that might unite these groups to act as a unified body. In this way, more foresight is needed to reduce infighting between communities and to better streamline development processes. Also, uniting together as a region would help to



leverage the collective power of the area to access more provincial and federal government grants that could help the region achieve its development goals.

Challenges Getting Support from the Public

There is concern that the public seems to generally be against seeing more industry come to the region and expand and grow. In this way, the public throughout the region are thought to be very sensitive to environmental issues and the impacts of large scale development.

A variety of likely reasons for this hesitation around development in the region were identified by consultation participants, including:

- The fact that a lot of older people live in the region that may not wish to see industrial development occur
- A negative perception of industry due to a preference for public sector wages in the region that has created a complacency with regards to the importance of industry
- “Not-in-my-backyard” (NIMBY) thinking
- Prejudice against foreigners looking to invest in the region

Natural Resource and Infrastructure Limitations

While the Comox Valley has an abundance of land available, there are concerns about the appropriate land base that is available for development (e.g. at some point in the future there will be conflicts between agricultural land and land for industrial or commercial uses). Also, water supply will likely become a significant barrier at some point as competing interests around serving a growing residential population collide with the needs of providing serviced land for industrial development (the cost of servicing this land in the first place is also seen as a large barrier).

Also, there are concerns that internet bandwidth is not appropriately fast enough to meet the needs of the tech industry, which may prevent that sector from materializing to its full potential.

Transportation Limitations

While transportation is seen as a strength (discussed above), it is also seen a challenge for industrial and commercial development in the Comox Valley. This challenge is due to the fact that businesses located in the Comox Valley are limited by being on an island and have to rely on ferry transport (whether shipping in inputs or shipping out products). This reliance on ferry transport can create bottlenecks in getting products off of the island and results in companies paying a larger premium



than their competitors based on the lower mainland. In addition, the Comox Valley does not have a fully developed air freight program which could help to reduce some these export issues.

Limited Access to a Young and Talented Workforce

Finding skilled labour in the Comox Valley can be a challenge. While there is a relatively large pool of retirees that are highly skilled, it can be difficult to find 20-30 year olds in the region that can meet the requirements of employer needs. As a result, there is a strong need to work on recruiting and attracting more young talent to the region and to focus on building a pipeline of talent for more knowledge-based employment (through curriculum development, engagement of women and Aboriginal youth, and attracting more immigrants).

What are the major opportunities in industrial and commercial/office land development in the Comox Valley?

Developing the Local Workforce

There is a demand from employers in the Comox Valley to have access to more skilled labour. To this end, creating a hub for education in the Comox Valley represents an opportunity to develop that skilled labour force within the Comox Valley without necessarily having to rely on a large worker attraction campaign. Working closely with the North Island College to expand and introduce some new programming could result in the creation of specialized hubs of education in the Comox Valley that could attract and develop new bright and innovative talent in the region.

Working on integrating business and entrepreneurship into the local school systems was also mentioned as an opportunity that would help develop the local workforce.

Creating New Partnerships and Collaboration

Creating new partnerships and collaborative opportunities among the municipalities, the Regional District, and First Nations communities is seen as an important opportunity. Working more closely with the K'ómoks First Nation is seen as an especially important opportunity given the community's access to a large land base and their ability to work different funding levers in the provincial and federal governments.

Enhancing Existing Industries and Developing New Ones

A number of opportunities were identified by consultation participants related to the expansion of existing industries and the development of new industries, including:



- Agriculture and aquaculture – as people are more and more concerned about healthy and local food, the Comox Valley could become a hub of agriculture, aquaculture, and food processing for the province by producing innovative and high value products (such as medical marijuana, vineyards, distilleries, cheese, etc.). Based on the climate of the Comox Valley, there may also be new products that can be grown.
- Commercial services to an ageing population – including healthcare and medical based businesses and technologies to support seniors
- Transportation – especially as it relate to developing an air cargo business from the airport and further developing transportation capacity to be a transportation hub for Vancouver Island (especially for the north central area)
- Skill or knowledge-based industries – including areas such as becoming a tech hub, supporting film production, video game development, the financial sector, and administration offices
- Value added products from existing wood resources – benefitting from the lower Canadian dollar to attract investment in value-add wood products and wood processing
- Solar panel and solar energy production – using farmland for solar panels
- Tourism – especially as it relates to cultural tourism and investing in more tourism facilities (including RV accommodations)
- Agro-forestry park developed in the Bevan Road lands (it is worth noting that previous efforts have been attempted for agro-forestry in the past)

What should be the top priorities in the Employment and Industrial Lands-Based FDI Strategy?

Creating a Strong Regional Environment for Collaboration and Partnership

A top priority discussed throughout the consultations is the need for the various government entities (both CVRD and municipal) to work together more effectively. Creating a vision on how these different government entities can work together is a critical step in helping to leverage greater access to funding for the region and to limit the competitive nature of investment attraction that is currently taking place. Identifying and highlighting the synergies between the different governments is also important. Partnering with neighbouring First Nations communities is also an important component of this.

Enhancing Regional Development Processes

There is a desire to see regional development processes made less complex, more flexible, and generally more encouraging for new investments in the region. Having the region's political leadership and staff act more as a facilitator than a "mine field" would help signal to investors that the region is a good place to invest in. Having political leaders act as intermediaries to deal with the varying levels of government and bureaucracy would also go a long way in helping businesses, developers, and investors feel encouraged that they can rely on local support.



Proactively Marketing the Region for More Investment

There is a need for the political leadership in the region to be more proactive in attracting businesses and investment to the region and to champion investment to make these potential investors feel wanted. In this way, the idea of “assigning” a politician to potential investors to ensure that they are able to navigate the regional systems in place would be helpful.

Also, marketing the region heavily to highlight the clear value proposition for the area based on the favourable costs of doing business, quality of life factors, and forecasted business opportunities is an important part of attracting more high skilled jobs and development to the region (beyond retail).

2.5 SWOT Analysis

A SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis can provide a municipality or region with a sense of its ability and capacity to support employment and industrial land investment. For the purposes of the Comox Valley employment and industrial land strategy, a SWOT is characterized in the following terms:

- **Strengths (positive, internal):** Positive attributes or assets currently present in the Comox Valley, particularly in comparison neighbouring jurisdictions or the province of B.C.
- **Weaknesses (negative, internal):** Local characteristics that limit the current or future growth opportunities for the Comox Valley
- **Opportunities (positive, internal and external):** Areas where the Comox Valley can remedy its weaknesses or further leverage its strengths
- **Threats (negative, internal and external):** Trends that threaten the Comox Valley’s existing and future attractiveness to employment and industrial development

The SWOT that follows provides insight into the challenges and opportunities the Comox Valley faces in efforts to generate, sustain, and accommodate employment and industrial development over the longer term.

Strengths

- A large land mass in the Comox Valley that provides a variety of attractive landscapes (e.g. land, mountains, climate). This helps build a strong quality of place that drives tourism and attracts skilled workers and retirees to the region.



- A good base of natural resources to draw from (e.g. the ocean drives aquaculture operations, soils, hydrology [i.e. flood-prone areas] drives agriculture) and good access to raw materials
- Good transportation links with regular access to major urban centres in western Canada (e.g. Vancouver, Calgary, and Edmonton). The airport is a key element of the competitiveness of the Comox Valley and the highway to Nanaimo is a great advantage for the region.
- Affordable property values and access to transportation that allow companies to create a strong base of operations in the region (i.e. can produce/ship products affordably)
- A good base of skilled people in the region that are drawn to the area due to good quality of life elements (e.g. walkability, community size, and affordability)
- Stable business growth trends, particularly in professional, scientific, and technical services, construction, forestry and fishing, educational services, and health care and social assistance, with niche and subsector growth trends in manufacturing, agriculture, transportation and warehousing, and tourism and resort development

Challenges

- Being located on an island can be a barrier to export development by creating bottlenecks to getting products off of the island, particularly via the ferry (competition in the lower mainland does not pay these premiums)
- Unresponsiveness of government regulations to business needs (i.e. development costs, taxation approaches). This regulation is making it increasingly difficult for businesses to realize their visions and move at the speeds needed to remain competitive.
- A lack of a facilitative approach to the way government has been engaging with local business and community leaders
- Citizens have attached a negative perception of what it means to have “industry” in the region. This influences what can be accommodated by the government and creates an over-reliance on public sector wages that creates complacency towards the importance of industry in the Comox Valley.
- No unifying vision for the Comox Valley and all the municipalities within. The municipalities are all competing and not acting as a unified body to pursue a vision for the region.
- A need for a more coordinated approach to infrastructure delivery in the region
- Insufficient talent for knowledge-based employment in the region
- Public perception that there is limited suitable and often unaffordable space for rent or purchase (especially industrial spaces and office space for the technology sector)



- Perceptions of limited and declining regional supply of employment land
- Limited numbers of local customers for professional and technical services, which restricts the growth potential for these business types and forces them to look to external markets (e.g. Vancouver, Victoria, Calgary, Edmonton)
- A lack of communications infrastructure (i.e. fibre optic internet is available in some places but it is cost prohibitive to extend its range)

Opportunities

- Building a base of light industry based on the land availability of Bevan Road and the various visions for use of that land (an agro-forestry park is one example)
- Establishing a high technology hub in the downtown core of a municipality within the Comox Valley
- Building a highly skilled workforce and knowledge-based economy in the Comox Valley based on the attractive quality of life amenities in the region
- Building more local food industries (e.g. greenhouses, aquaculture) based on global demand levels and the potential availability of Liquefied Natural Gas as an energy feedstock
- Collaborating and partnering more with K'ómoks First Nation who will have access to complementary employment and industrial lands and have a unique ability to work with different funding agencies in the provincial and federal government, as well as the ability to move quickly to capitalize on identified priority opportunities
- Realizing new agricultural opportunities due to a changing local climate (i.e. are there new products that can be grown in the Comox Valley)
- Leveraging the Comox Valley's strong regional resource bases to create more value-added industries (in agriculture, shellfish, and forestry in particular)
- Harnessing spin-off opportunities to attract talented workers to the Comox Valley that have previously been working for major organizations based on the west coast of the U.S. or Vancouver (e.g. video game production where people who have left the big companies are looking for new opportunities with a high quality of life)
- Creating a hub of technological innovation for industries that play a large role in the Comox Valley (e.g. software for forestry, aviation maintenance technology, etc.)
- Harnessing the critical mass of software talent in the Comox Valley and building out a hub of activity that could bring in new talent and new technology ventures to the region



- Continuing to expand tourism product development, including through partnerships with K'ómoks First Nation, Mount Washington and other mountain and marine tourism operators (e.g. mountain biking, sailing, sport fishing), and leveraging excellent transportation connections through Comox Valley Airport and the growing range of high-quality accommodation and food service operators
- Longer term opportunities for charter and commercial freight movement of goods and workers from the airport
- Eco-industrial types of development based on waste and co-product streams of power generation (in the Bevan Road lands in particular)

Threats

- Difficulty competing with western employment hubs (e.g. Fort St. John and Fort McMurray) for skilled labour. The Comox Valley is not as competitive on wages and must largely rely on quality of life elements when looking to attract talent.
- Potential for industrial and employment land absorption by uses generally not accommodated in industrial/employment areas (e.g. general retail), or with the potential to produce unintended land use conflicts (e.g. traffic, off-site nuisances)
- Lack of a younger demographic (i.e. 20-30 years old) that makes it more difficult to attract a talented and young workforce to the region



3 Employment and Industrial Land Strategy

3.1 Land Use Policies and Regulations

A community's employment and industrial land policies, regulations, and other guiding documents play a key role in determining the potential for development and investment attraction in that community. The challenge lies in ensuring that land use policies and regulations strike a balance between providing a competitive location to support the attraction, retention, and expansion of a wide range of businesses, while ensuring that development is not a detriment to other land uses in close proximity or to longer term fiscal or environmental sustainability.

The changing nature of the Canadian economy adds an additional challenge. Traditional industrial lands are increasingly being looked at to accommodate more knowledge-based activities as well – both connected to and independent from industrial activity. Further, these competitively located and increasingly visually appealing areas are often subject to competition from non-industrial development and uses (e.g. commercial retail, government facilities, personal services), based on the continued shift towards a service-based economy and stable population growth trends. As a result, land use policies and regulations often require a review within the context of an employment and industrial land strategy to ensure that policies and regulations are aligned with likely types of longer-term demand, while ensuring the sustainability and efficient use of land resources to accomplish economic development goals.

All policies and regulations related to growth and development must conform to the CVRD's Regional Growth Strategy, which came into effect in 2011. A discussion of the related goals and objectives of the Regional Growth Strategy may be found within the Appendix.

3.1.1 Evaluation of Land Use Policies and Regulations

The following comparative evaluation of land use policies and regulations examines Comox Valley's general abilities to accommodate industrial and employment lands development within the existing land use policy framework. The policy frameworks for the Town of Comox, City of Courtenay, Village of Cumberland and the Comox Valley Regional District were all examined.²⁹ The evaluation has been undertaken across several key themes that can affect a community's ability to accommodate and compete for employment or industrial development, and employment growth, over the short and long term:

²⁹ The K'ómoks First Nation policy framework is currently being reviewed and will be available in the K'ómoks First Nation Land Use Plan released later this year.



- Alignment of policies and regulations with likely forms of employment growth
- Conservation of industrial and employment lands for predominantly industrial and export-oriented (i.e. basic)³⁰ economic uses
- Industrial and employment-generating uses in rural and agricultural areas

Alignment of Regulations with Regional Growth Prospects

The sector opportunities and gaps analysis outlined a number of high and low-priority sectors to focus on with regards to employment and industrial lands-based FDI opportunities. Generally speaking, Comox Valley has broad and niche-based opportunities in a number of sectors that could potentially locate on urban or rural industrial and employment lands based on the characteristics of the region:

- Professional, scientific, and technical services
- Construction, maintenance and repair
- Manufacturing (particularly agri-food and aqua-food processing, resource-based, and niche technology-based/advanced industries)
- Transportation and warehousing

Generally speaking, these sectors have the potential to generate demand with a wide range of potential characteristics and location requirements, from partially- or privately-serviced lots with room for outdoor storage, to more prestige and enclosed light industrial spaced with integrated office/industrial form or standalone office requirements on fully serviced lots. The figure below outlines typical sector-based uses and characteristics for each sector that should be considered in policy decisions, as well as the alignment of land use regulations in Comox Valley with those uses and characteristics.

It is important to note that the text within the following figures describe current zoning regulations within the Village of Cumberland. It is noted that at the time of report preparation, Cumberland is in the process of preparing an updated Zoning Bylaw to reflect the planning and growth management policies of the Village's OCP. The new Bylaw (expected to be implemented in the summer of 2016) may address and/or change the hierarchy of uses within the Village's industrial zones.

³⁰ Economic development theory often categorizes employment as either basic or non-basic, based on its relationship with the local economy. Basic employment primarily includes uses serving non-local markets and/or non-retail markets, and often falls into sectors like manufacturing, transportation, professional services, or information technology. Non-basic employment is largely population-related, or focused on serving the needs of the local population in sectors like retail, personal services, health care, or public administration.



FIGURE 18: ALIGNMENT OF LAND USE REGULATIONS WITH INDUSTRIAL SECTOR DEVELOPMENTS AND LAND USE CHARACTERISTICS

Sector	Potential Uses in Comox Valley	Development Characteristics	Land Use Regulation Alignment
Professional, scientific, and technical services	<ul style="list-style-type: none"> ■ Engineering and design ■ Management consulting ■ Computer systems design 	<ul style="list-style-type: none"> ■ Prestige in nature ■ 1-5 acre (0.5-2 ha) parcel sizes ■ Standalone or multi-tenant office; may be integrated with industrial space ■ High levels of site coverage ■ High urban design standards ■ Proximity to complementary uses, transportation networks/nodes, urban centres 	<ul style="list-style-type: none"> ■ Comox: offices and research laboratories generally permitted in C3.2 and I2.1 zones, with more industrial-nature offices permitted in I1.1 ■ Courtenay: standalone professional services offices generally not permitted in industrial areas (instead are directed to commercial areas); accessory offices permitted in I-2 ■ Cumberland: offices generally permitted as an accessory to principle industrial uses in all industrial zones ■ CVRD: offices generally permitted in light industrial areas, as well as marine, storage, and seafood processing facility/upland aquaculture areas; accessory uses in heavy industrial
Construction, maintenance, and repair	<ul style="list-style-type: none"> ■ Residential and non-residential/civil construction trades/contractor office/shop ■ Construction equipment storage or rental ■ Construction equipment rental ■ Industrial/agricultural equipment maintenance and repair ■ Equipment (e.g. electronic, precision, aircraft) testing, repair, and maintenance 	<ul style="list-style-type: none"> ■ General/medium industrial in nature; limited potential for prestige/light uses in maintenance and repair ■ 2-10 acre (1-4 ha) parcel sizes ■ Outdoor storage usually required ■ Low levels of urban design ■ Relatively low site coverage or employment density ■ Generally standalone, with potential for multi-tenant in repair and maintenance 	<ul style="list-style-type: none"> ■ Comox: Industrial or construction offices permitted in I1.1; testing, repair, and maintenance uses generally permitted in C3.2 and I1.1 (I2.1 for air-related); no specific provisions for construction/contractor uses ■ Courtenay: contractor offices/yards permitted in I-2 areas ■ Cumberland: narrow range of sector uses generally permitted only in CDC-2 ■ CVRD: general contractor uses/storage



Sector	Potential Uses in Comox Valley	Development Characteristics	Land Use Regulation Alignment
	<ul style="list-style-type: none"> ■ Industrial/agriculture machinery repair and maintenance 		<p>permitted in IS, with maintenance and repair uses permitted as accessory to principle use in IS</p>
Manufacturing	<ul style="list-style-type: none"> ■ Metal product fabrication and metalworking ■ Veneer, plywood, engineered wood products ■ Food processing ■ Beverage manufacturing ■ Bioproducts manufacturing/biomass processing 	<ul style="list-style-type: none"> ■ Prestige or general in nature ■ 2-10 acre (1-4 ha) parcel sizes ■ Potential for high-quality urban design in more advanced, technology-based industries ■ Outdoor storage areas may be required ■ Access to limited access highways required 	<ul style="list-style-type: none"> ■ Comox: manufacturing uses and processing and packaging of food and beverage products generally permitted in C3.2, I1.1, and I2.1 areas ■ Courtenay: manufacturing generally permitted in I-1 and I-2 areas ■ Cumberland: light industrial manufacturing uses are generally permitted in I-1 and I-2 areas, with heavier processing industries permitted in I-2 ■ CVRD: light industrial manufacturing uses are generally permitted in IL and IH areas, with heavier processing industries permitted in IH. Seafood processing activities permitted in SPAF-1 and water/beverage bottling permitted in IL.
Transportation and warehousing	<ul style="list-style-type: none"> ■ Warehouses and storage ■ Wholesale distribution ■ Freight brokers/arrangement ■ Logistics facilities/trans-loading ■ Integrated office uses 	<ul style="list-style-type: none"> ■ Outdoor storage for equipment likely required ■ Loading/unloading areas ■ General or prestige in nature ■ High to low levels of urban design ■ Land extensive, large building foot prints ■ Access to limited access highways required ■ 5-75 acre (2-30 ha) parcel sizes 	<ul style="list-style-type: none"> ■ Comox: warehousing and truck terminals generally permitted in C3.2, I1.1, and I2.1 areas. Aircraft and air cargo storage-specific uses permitted in I2.1 ■ Courtenay: Truck and rail loading terminal and enclosed storage uses permitted in I-2. Range of rail-specific uses permitted in I-3 areas ■ Cumberland: outside storage and warehousing uses permitted only in CDC-2 ■ CVRD: warehousing generally permitted in



Sector	Potential Uses in Comox Valley	Development Characteristics	Land Use Regulation Alignment
			IL and IS zones, with marine-specific warehousing permitted in IM.

A high level review of land use regulations across the four municipalities suggests that there are few misalignments between likely forms of employment or industrial land development and the existing land use regulations across the Comox Valley. For the most part, provisions are made for likely forms of economic development that Comox Valley could face in industrial areas. Further, commercial areas accommodate potential employment land developments where industrial zones do not allow for them, such as the limitations around standalone offices in Courtenay and Cumberland’s industrial districts. However, in the context of these potential employment or industrial land developments, there are several potential challenges in terms of land use regulations:

- A lack of specific provisions to accommodate construction-related activities in Cumberland’s industrial zones, outside of Comprehensive Development Commercial Two (CDC-2)
- A lack of provisions for outdoor storage or warehousing uses in Cumberland’s industrial zones
- A lack of specific regulations outlining permitted industrial contractors or construction uses in Comox’s industrial zones

The influence of these findings on investment readiness in these sectors varies. The lack of provisions in both Cumberland and Comox do not necessary prevent the accommodation of contractor uses, depending on their characteristics, but also do not allow those uses as-of-right in the same way that the zoning bylaws in Courtenay and CVRD do. Though local investment readiness or competitiveness may be lower in Comox or Cumberland, this is likely only a minor issue pending the characteristics of a proposed development, while other areas of the Comox Valley do provide areas to accommodate this investment. The lack of provisions for outdoor storage or warehousing in Cumberland’s zones is likely more of an issue for competitiveness – not just for more general types of industrial development, but also prestige (i.e. enclosed) users that may require limited outdoor storage. This may influence Cumberland’s ability to accommodate uses that require indoor (i.e. warehouse) and outdoor storage, such as manufacturing, construction-related, or transportation-oriented uses.

Conservation of Industrial and Employment Lands

Factors like rapid population growth and the increased prominence of services-producing sectors of the economy can create highly competitive industrial and employment land markets. Lands that have been planned and designated for industrial and knowledge-based employment (i.e. basic forms of employment) are often highly desirable and marketable based on



infrastructure, visibility, or cost (particularly relative to commercial land and space in some markets). As such, they can attract interest from non-industrial users, such as commercial retail or community/institutional uses. This has several potential negative impacts on municipality's industrial and employment land inventory:

- Erosion of a finite supply of industrial and employment lands meant to accommodate high-value and export-oriented industrial and knowledge-based development
- Fragmentation of the existing industrial and employment land supply
- Introduction of unintended land use conflicts or compatibility issues in employment and industrial areas (e.g. traffic congestion, parking, off-site nuisance factors)

However, some non-industrial and non-basic uses may also play a role in improving the competitiveness or investment readiness of an employment area. These uses contribute to the development of a more complete employment or industrial area – one that accommodates a wide range of employment uses, but also select services that support employees and businesses in the employment or industrial area. For example, the development of limited to full service restaurants or accommodations in employment areas serves both the daytime working population of the area, but also business travellers or temporary workers visiting businesses in the area.

As a result, municipalities must find a balance between conserving industrial and employment lands for industrial and knowledge-based employment uses and allowing non-industrial or non-basic uses that serve those users and accomplish the municipality's goals for economic development.

The figure below examines the provisions for non-industrial and non-basic uses in key employment and industrial land zones across Comox Valley, with the intent of examining the potential for existing regulations to allow for non-industrial development that may create unintended compatibility issues. Emphasis has been placed on identifying uses that could consume notable portions of land through development (based on parking requirements, for example), generate considerable traffic, or be incompatible with adjacent industrial uses.



FIGURE 19: POLICIES AND REGULATIONS CONCERNING NON-INDUSTRIAL USES ON INDUSTRIAL AND EMPLOYMENT LANDS

Municipality	Select Land Use Objectives and Policies	Land Use Regulations
Comox		<ul style="list-style-type: none"> ■ C2.3 lists boat sales and service, car washes, garden centres, gas bars, plant nurseries, service stations, vehicle sales or rental, veterinary clinics as permitted uses ■ C3.2 lists fitness studios, amusement centres, artist studios, billiard halls, bowling alleys, brew pubs, car washes, dental clinics, denturist labs, accessory dwellings, garden centres, gas bars, laundry or dry cleaning, locksmiths, medical clinics, music studios, personal service establishments, plant nurseries, pubs, restaurant lounges, restaurants, retail stores, service stations, taxi dispatch centres, veterinary clinics, and wholesale outlets as permitted uses ■ I1.1 lists animal shelters, car washes, dental clinics, accessory dwellings, garden centres, gas bars, laundry or dry cleaning, medical clinics, plant nurseries, retail stores, service stations, taxi dispatch centres, vehicle sales or rental, veterinary clinics, wholesale outlets as permitted uses ■ I2.1 lists child care facilities, accessory dwellings, farmers' open air markets, garden centres, gas bars, laundry or dry cleaning, outdoor retail sales, outdoor wholesale, plant nurseries, restaurant lounges, restaurants, accessory retail (max 200 sq.m.) sales of boats, service stations, single family dwellings, taxi dispatch centres, vehicle rental, veterinary clinics, wholesale outlets as permitted uses
Courtenay	<ul style="list-style-type: none"> ■ 4.3.3.1 The city will not support the location of major offices in the Industrial designated areas ■ 4.3.3.2 The city will not encourage any significant retail uses in the Industrial designated areas 	<ul style="list-style-type: none"> ■ I-1 lists only boat works and storage as a permitted use ■ I-2 lists auction centre, automobile service and repair, facility for adults with disabilities, fitness facility, indoor entertainment facility, pet day care, radio station, restaurant, school, small item sales, service, rental, and repair, and veterinary clinic as permitted uses ■ I-3 does not permit any non-industrial uses
Cumberland		<ul style="list-style-type: none"> ■ I-1 lists nurseries and park use as permitted principal uses, and single family dwellings forming an integral part of a commercial use as an accessory use ■ I-2 lists park uses as a permitted principal use, and single family dwellings forming an integral part of a commercial use as an accessory use ■ I-3 lists park uses as a permitted principal use, and single family dwellings forming an integral part of a commercial use as an accessory use ■ I-4 lists only single family dwelling uses as an accessory use



Municipality	Select Land Use Objectives and Policies	Land Use Regulations
CVRD	<ul style="list-style-type: none"> ■ 17(13) To ensure a continued supply of land that is maintained for industrial use and to encourage the retention of existing industrial uses ■ 42(5) To protect working landscapes from encroachment by residential or other uses ■ 48(2) Discourage zoning amendments to reduce the light and heavy industrial land base 	<ul style="list-style-type: none"> ■ IL lists animal hospital, restaurants, retail and wholesale establishments, and veterinary clinics uses as principal permitted uses, and bed and breakfasts and residential uses as permitted accessory uses ■ IH lists residential uses and retail and wholesale establishments as permitted accessory uses ■ IM lists marinas and restaurants as permitted principal uses, and bed and breakfast and residential uses as permitted accessory uses ■ IS lists retail and wholesale establishments as principal permitted uses, and residential uses as accessory uses ■ SPAF-1 lists seafood retail sales as a permitted principal use, and residential uses as accessory uses

On a policy basis, only Courtenay and the CVRD include objectives and policies related to the conservation of employment and industrial lands for their intended purposes in their Official Community Plans. Courtenay includes policies which limit the intensity of office-oriented uses in industrial areas to accessory uses, while also including policies that do not encourage significant retail uses in industrial areas. Notwithstanding these policies though, there is limited other direction on the conservation of industrial lands for employment and industrial purposes, such as by minimizing conversion. CVRD has the strongest policy direction on that matter, discouraging any zoning amendments that will reduce the existing light and heavy industrial base in rural settlement areas, with an objective of ensuring a continued supply of industrial lands. Both Comox and Cumberland lack specific policies in their OCPs to outline the community’s intent with regards to conserving or maintaining industrial land supply.

Outside of these higher-level policy directions though, the zoning bylaws of each community play a key role in maintaining supply of employment and industrial lands for those purposes, as they establish the specific uses that are permitted in each industrial zone. Findings, by municipality, are outlined below.

- **Comox** has two industrial-commercial type zoning classifications, which accommodate a full range of both industrial and non-industrial uses in line with their intended purposes. In more industrial-oriented zones though, several specific uses that are listed as permitted principal uses could represent a source of competition for more industrial development, or may diminish the competitiveness of an area for industrial uses based on compatibility. Retail stores and wholesale outlets listed as permitted uses in the I1.1 Light Industrial areas represent the greatest source of potential conflict, as there are no



conditions limiting the size. Though retail and wholesale uses may be compatible with some types of industrial development, they may also introduce traffic or parking characteristics incompatible with industrial areas based on the attraction of clientele from outside of the local area, while also requiring notable amounts of land for parking in some larger formats. Though retail is limited to accessory uses in I2.1 industrial areas, other permitted principal uses like outdoor retail sales, outdoor wholesale, wholesale outlets, and (on specific parcels single detached dwellings) may produce similar conflicts. Most other non-industrial uses permitted in I1.1 and I2.1 can be expected to have less of an impact on industrial prospects, or may even complement industrial uses.

- **Courtenay** has the most restrictive industrial zoning with regards to non-industrial uses. The Industrial Two (I-2) zone is the most flexible, allowing for a range of non-industrial uses generating daytime (e.g. facilities for adults with disabilities, schools) as well as off-peak visitation (e.g. fitness and indoor entertainment facilities), or focused on specific uses that may not be appropriate in other areas (e.g. pet day care). Though perhaps not as incompatible as retail uses, these uses may also generate unintended compatibility issues if they draw on a more regional clientele.
- **Cumberland** generally only allows for parks and residential dwellings as an accessory to commercial uses as permitted non-industrial uses on industrial lands, with nurseries also permitted on I-1 lands.
- **CVRD** allows for a similar range of non-industrial uses unlikely to cause conflicts with industrial uses (e.g. restaurants, animal hospitals, veterinary clinics) on industrial lands as other municipalities in Comox Valley. The most notable issue is the inclusion of retail and wholesale establishments as principal uses on IL and IS industrial lands, based on potential challenges outlined above. This seems to conflict with overall objectives of maintaining land for industrial uses.

Industrial and Employment Land Uses in Rural and Agricultural Areas

Rural lands can also play a key role in the accommodation of industrial and employment land-type development in a community, especially with regards to accommodating lower-order uses associated with primary resource-based industries; more generally, industrial uses that can provide benefits to the municipality and its citizens/businesses, but may not be appropriate for the urban service area. As such, the industrial and employment land strategy must also examine policies permitting and encouraging the development of industrial and other key employment-generating uses in rural areas of the Comox Valley.



FIGURE 20: INDUSTRIAL AND EMPLOYMENT LAND USES IN RURAL AND AGRICULTURAL AREAS

Municipality	Select Land Use Objectives and Policies	Land Use Regulations
Comox	<ul style="list-style-type: none"> ■ 2.1.9.2(1) To protect agricultural land base and marine foreshore for food production and encourage future growth that is environmentally sustainable ■ 2.1.9.3(i) The Town will support additional aquaculture tenures that are environmentally sustainable on land designated Marine Foreshore and zoned for such use ■ 2.1.9.3(l) The Town will encourage economic diversification through value added processing and storage of local food production and organic farming in the Comox Valley 	<ul style="list-style-type: none"> ■ AG1.1 lists agriculture, aquaculture, and home occupations as permitted principal uses, with provisions for accessory sales, and storage, packing, product preparation, or processing to agriculture and aquaculture uses
Courtenay	<ul style="list-style-type: none"> ■ 4.5.3(1) The City supports the role of the BC Agricultural Land Commission and its efforts to protect and enhance agriculture ■ 4.5.3(2) The City supports expanding the processing of locally produced agricultural products ■ 4.5.3(3) The City will discourage the subdivision of land within the ALR for non-agricultural uses 	<ul style="list-style-type: none"> ■ A-1 lists agricultural business as a permitted use, as well as any uses permitted by the Ministry of Agriculture, Food, and Fisheries or the Agricultural Land Commission ■ A-2 lists only agricultural use as a permitted principal use
Cumberland	<ul style="list-style-type: none"> ■ 6.3.3(9) Encourage small-scale, neighbourhood-level food production within the community ■ 6.3.3(10) Protect agricultural areas from the incursion of non-food industries such as federally licensed medical marijuana production facilities 	<ul style="list-style-type: none"> ■ RU-1 lists silviculture³¹ as a permitted principal use, with home occupations as an accessory use ■ RU-1A allows for only accessory employment uses through home occupations ■ RU-2 lists agricultural and silviculture uses as permitted principal uses, with home occupations as an accessory use ■ RU-3 lists agriculture and silviculture as permitted principal uses on any lot, and gravel, mineral, or peat extraction process and sawmills or shakemills on lots larger than 2.0 hectares ■ UR-1 lists agriculture, silviculture, and fish hatcheries and enhancement facilities as permitted principal uses, with wood processing permitted as an accessory to silviculture and agricultural principal uses

³¹ Excludes the processing of wood or wood products.



Municipality	Select Land Use Objectives and Policies	Land Use Regulations
CVRD	<ul style="list-style-type: none"> ■ 17(3) To promote and strengthen the long-term viability of renewable resource-based uses in the Comox Valley, including agriculture, aquaculture industries, and forestry ■ 17(6) To encourage economic activity that complements and supports the natural environment, culture, and rural geographic setting of the Comox Valley ■ 17(7) To promote a diverse economy that will offer jobs and/or business opportunities for young people wanting to stay or return to the electoral areas of the Comox Valley ■ 17(13) To ensure a continued supply of land that is maintained for industrial use and to encourage the retention of existing industrial uses ■ 17(14) To permit a wide range of employment uses including those in the agriculture/aquaculture sector, industrial sector, commercial sector, innovation sector, culture and arts sector, tourism and service sector, and public service sector in the plan area ■ 18(3) Liaise with improvement districts, agencies and ministries to effectively address the provision of infrastructure and services that the agriculture and aquaculture industries require ■ 18(4) Encourage BC Assessment Authority to establish a tax regime that encourages rather than deters land owners and active farmers from adding value to the primary products grown on their land ■ 18(8) Recognize that the sustainability and productivity of the marine environment for shellfish and aquaculture protection and for active harvesting is critical to K'ómoks First Nation and other aquaculture food producers. Work with K'ómoks First Nation, senior government, the Islands Trust, non-government organizations and local residents to protect the marine environment shellfish resources and to secure the sustainable harvesting of its resources ■ 18(11) Maintain effective communication with stakeholders from agriculture and aquaculture industries in order to support local agriculture and protect lands designated ALR and suitable non-ALR lands for the purpose of 	<ul style="list-style-type: none"> ■ RU-8 lists agriculture, silviculture, aquaculture, and fish hatcheries as permitted principal uses, with home occupations, domestic business, and domestic industrial accessory uses permitted ■ RU-20 lists agriculture, fish hatcheries, and silviculture as permitted principal uses, with wood processing, sawmills, gravel/mineral extraction, and research and teaching facilities permitted on sites over 4.0 hectares. Home occupations, domestic business, and domestic industrial accessory uses are permitted ■ RU-ALR lists agriculture and any uses permitted under the <i>Agriculture Land Reserve Act</i> as permitted principal uses ■ UR lists silviculture, agriculture, fish hatcheries, and explosive sales, storage manufacturing, and distribution as permitted principal uses, with wood processing permitted as an accessory use ■ WS-RA lists silviculture and explosive sales, storage manufacturing, and distribution as permitted principal uses ■ AQ-3 lists shellfish aquaculture and limited associated structures as permitted principal uses, with sorting, grading, and storage facilities for shellfish aquaculture (excluding processing) permitted as an accessory use ■ AQ-4 lists finfish and shellfish aquaculture and limited associated structures as permitted principal uses, with sorting, grading, and storage facilities for aquaculture permitted as an accessory use ■ UAF-1 lists upland invertebrate hatcheries, offices, and outdoor storage as permitted principal uses ■ RU-DB1 lists agriculture and silviculture as permitted principal uses, with wood processing, sawmills, gravel/mineral extraction, and research and teaching facilities permitted on sites over 4.0 hectares. Home occupations, domestic business, and domestic industrial accessory uses are permitted ■ CA lists agriculture and abattoirs as permitted principal uses, with outdoor storage permitted as an accessory use



Municipality	Select Land Use Objectives and Policies	Land Use Regulations
	<p>agricultural production</p> <ul style="list-style-type: none">■ 18(12) Strengthen the retention and expansion of agriculture and aquaculture industries and small-scale agriculture and aquaculture operations with due regard to the water quality of the marine environment■ 18(13) Encourage the establishment of value-added processing structures or uses for agriculture and aquaculture industries in locations where potential land use conflicts can be mitigated, and with due regard to the water quality of the marine environment■ 20(2) Do not permit uses such as vehicle storage, offices or other workplaces, or outside storage of materials which are not accessory to the aggregate operation or which are not required for the safe and efficient operation and maintenance of the aggregate operation■ 21(2) Consider medical marihuana production facilities licensed pursuant to the marihuana for medical purposes regulations through a rezoning within the agriculture area and resource area designations subject to the conditions included in part 3 of this OCP■ 42(5) To protect working landscapes from encroachment by residential or other uses■ 47(1) Consider zoning amendments and temporary use permits for industrial uses such as heavy and light industrial, agriculture and aquaculture, and rural resource activities throughout the rural settlement area■ 49(2) Enable agriculture industries and related uses, such as small-scale agriculture operations, farm gate sales, food processing establishments, distribution centres, farmers' markets and agricultural research facilities■ 50(2) Promote establishment of aquaculture industries and related uses such as small-scale aquaculture operations, food processing establishments, distribution centres, farmers' markets and research facilities■ 51(2) Support resource activities including timber harvesting and milling, aggregate extraction and processing and mineral extraction■ 58(15) Permit food processing structures and uses supporting aquaculture	



Municipality	Select Land Use Objectives and Policies	Land Use Regulations
	<p>industries on lands designated agricultural area when the requirements of the agricultural land reserve use, subdivision and procedure regulation are met</p> <ul style="list-style-type: none"><li data-bbox="380 415 1150 505">■ 63(2) Require rezoning of a property to an industrial category to permit processing of aggregates or minerals or require issuance of a temporary use permit	

Reflecting the strong cultural heritage of the area based on rural and resource-based industries, OCPs and zoning bylaws as well as the Regional Growth Strategy allow for and encourage both the protection of the existing agricultural and resource base in urban and rural areas of the Comox Valley, but also the maintenance and expansion of economic development activities in rural and agricultural areas as well (subject to Agricultural Land Commission policies). The majority of uses characteristic of employment and industrial land will ultimately locate on industrial lands. However, the provisions to allow for low to moderate intensity industrial uses (even on a temporary basis), as well as home-based industrial uses and value-added uses connected to the resource base in rural and agricultural areas will also play a key role in accommodating longer term employment for Comox Valley (while perhaps diversifying the local economy), and generating raw materials that can drive the development of further industrial uses related to manufacturing, processing, or assembly.

3.2 Industrial and Employment Lands Area Characteristics and Inventory

There are a number of different industrial and employment assets within the Comox Valley that make up the current employment structures and individual industrial or employment areas. These include:

- Future Bevan Road Industrial Lands
- CFB 19 Wing Comox and the Comox Valley Airport (and the airport adjacent lands)
- Agricultural Lands
- Forest Resource Land
- Aquaculture Tenures
- Town of Comox Marina, Federal Harbor Authority, and Private Marinas



- Mount Washington Alpine Resort, Saratoga Beach, and Union Bay
- Courtenay River Front and Core Area Lands (including Courtenay Airpark)
- K'ómoks First Nation Lands
- Specific sites within each local government region, such as light industrial parks, vacant lands, core area and downtown properties (i.e. Comox Mall Site, Downtown Courtenay Thrifty Foods Site)

Further information on the variety of assets listed above is presented throughout this report and has been incorporated and considered in all recommendations of this report.

Currently there are two priority industrial and employment lands that present significant long-term support for industrial and employment growth within the Comox Valley. The two priority areas are:

- Future Bevan Road Industrial Lands
- CFB 19 Wing Comox and the Comox Valley Airport (and the airport adjacent lands)

Both are described in further detail below.

Future Bevan Road Industrial Lands

The Bevan Road industrial lands are land parcels designated for industrial use that are located in the Comox Valley near the eastern seaboard of Vancouver Island. The properties are located roughly two kilometers north of Cumberland and lies on top of an upland gravel plateau that overlooks Comox Valley. The land parcels are adjacent to the nearby landfill which is currently expanding its composting facilities and they are located close to the inland highway providing easy transportation access. Currently these parcels are not zoned or serviced. A draft zoning bylaw presented by the Village of Cumberland will set guidelines for the design and make up of these land parcels.

There are many opportunities present within the Bevan Road Industrial Lands. For example, the escarpment gravel ridge on the edge of this site provides the potential future use of wind generators to supplement the energy available to the lands. As well, the potential development of methane energy production by the nearby landfill which can also help in supplementing the energy needs of any future development on the lands. There is also great potential for the creation and development of an Eco-Industrial Park where the alternative energy production possibilities mentioned above can further establish this site as an environmentally sustainable industrial park.

Some of the Bevan Road Industrial Land features include:

- Close proximity to deep water ports and the US market



- Adjacent landfill
- Marine and rail transportation nearby
- Access to nearby airport and international railway lines
- Proximity to Highway 19

CFB 19 Wing Comox/ Comox Valley Airport

Canadian Forces Base 19 Wing Comox is a Canadian Forces base that is located northeast of Comox, B.C. and is primarily operated as an air force base by the Royal Canadian Air Force. CFB 19 Wing Comox's airfield is also utilized by civilian passenger aircraft, where the civilian operations are referred to as the Comox Valley Airport. CFB Comox is the primary air defence installation on Canada's Pacific coast and serves as the home base for maritime patrol/anti-submarine aircraft and fixed-wing and rotary-wing search and rescue (SAR) aircraft.³² CFB Comox is the largest employer in the Comox Valley employing close to 1,430 individuals and providing up to \$21.8 Million in GDP a year to the local economy.³³ The civilian airport is used for commercial flights destined to Vancouver, Calgary, Campbell River, Edmonton and Mexico.

The airport's 10,000 foot runway is the second longest in British Columbia and has the capacity for full firefighting and rescue capabilities with the potential for 24-hour operation. These features are completely unique among regional airports in the province, and as a result, the airport is able to handle fully loaded air cargo planes going to markets in Asia.³⁴ This capability also lends itself to further development of lands adjacent to the airport for sub-sectors and business that would benefit from being located in close proximity to the airport.

Some of the airport features include:

- 351,530 passengers served in 2015
- 90% growth since new terminal opened in 2004
- Second largest airport on Vancouver Island
- Only 5km's to downtown Comox
- Only 10.5km's to downtown Courtenay
- Fuel services, full crash and fire rescues are all available for civilian, military and commercial aircraft, such as charters, air freight, medivacs, and courier services.

³² Royal Canadian Air Force, "19 Wing Comox", <http://www.rcaf-arc.forces.gc.ca/en/19-wing/index.page>

³³ Comox Valley Airport, "Economic Impact", <http://www.comoxairport.com/cms.asp?wpID=53>

³⁴ Invest in Comox Valley, "Air Service Transportation", <http://www.investcomoxvalley.com/air-service-support>



3.2.1 Vacant Employment and Industrial Land Inventory

A major factor in the future competitiveness of the Comox Valley's economic base is the supply and quality of its vacant industrial lands. This section provides a comprehensive assessment of the Comox Valley's vacant industrial land supply and its ability to accommodate industrial development demand.

To generate the vacant industrial land inventory, the project team (with input from government staff throughout the Comox Valley), reviewed all parcels zoned as industrial land in each Municipality's zoning by-law.³⁵ The analysis was completed primarily through a desktop review using GIS mapping software. Spatial overlays utilized included parcel fabric, zoning overlays, building footprints, hydrology/wetlands, and 2015 orthophotos.

The industrial lands in the Comox Valley are located in a number of delineated industrial/business parks located throughout the various municipalities. For the purposes of the industrial land supply and demand analysis presented below, the analysis has been assessed for Comox Valley Regional District, the Town of Comox, the Village of Cumberland, and the City of Courtenay. It should be noted that any employment or industrial lands for the K'ómoks First Nation have not been included in these calculations due to uncertainty around ongoing negotiations between KFN and the Federal Government (though the KFN lands are important to consider when pursuing development and investment attraction in the region). The analysis also took into account the future industrial supply area surrounding the Bevan Road lands (as identified by the 2014 Village of Cumberland Official Community Plan).

Figure 21 through Figure 25 (below) illustrate the geographic location of the vacant designated industrial lands by municipality. The proposed zoning bylaw update in the Village of Cumberland is also included for reference purposes only.

³⁵ The K'ómoks First Nation Land Use Plan will be released later this year. Once released the findings should be integrated into the inventory.



FIGURE 21: COMOX VALLEY REGIONAL DISTRICT VACANT LAND SUPPLY

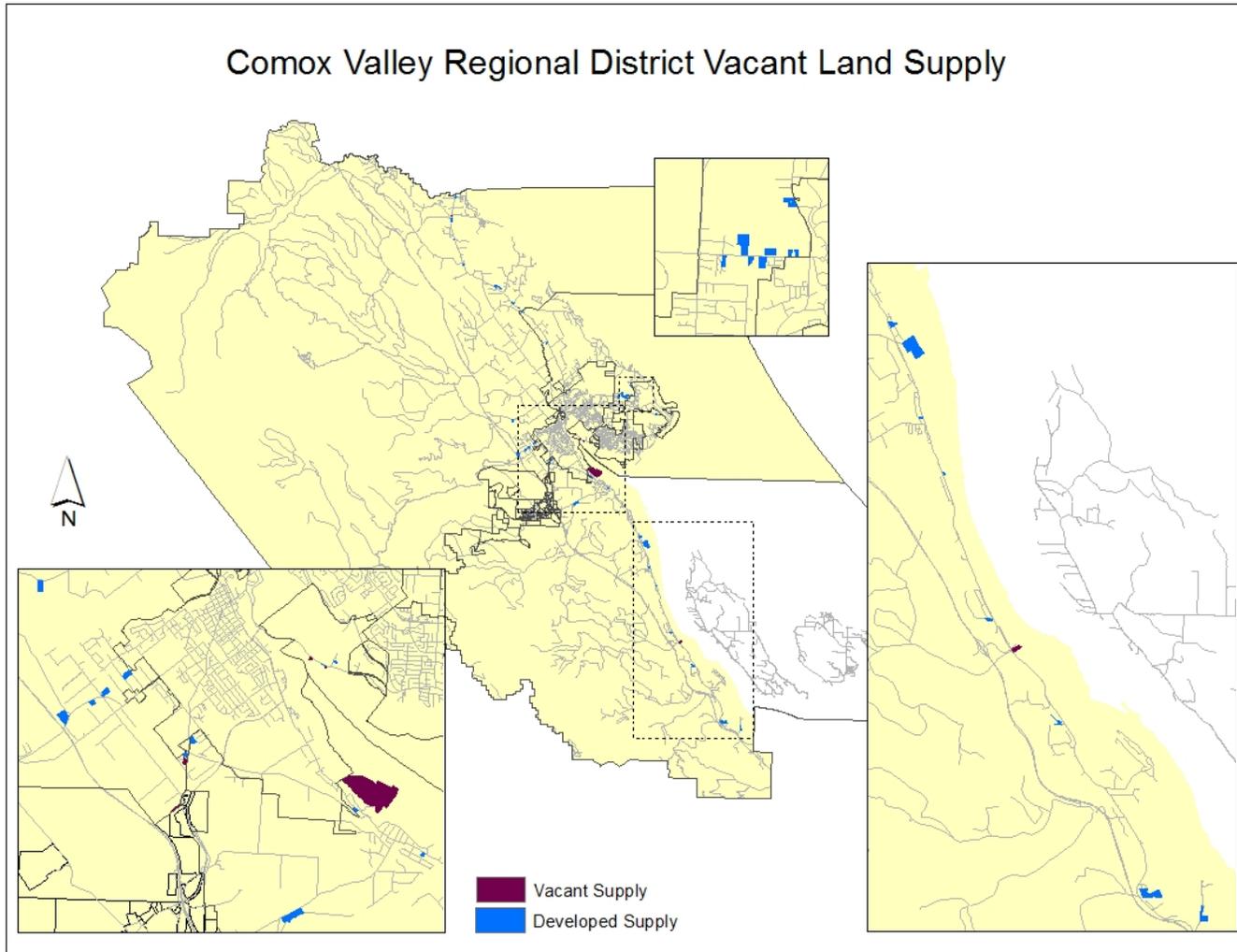




FIGURE 22: TOWN OF COMOX VACANT LAND SUPPLY

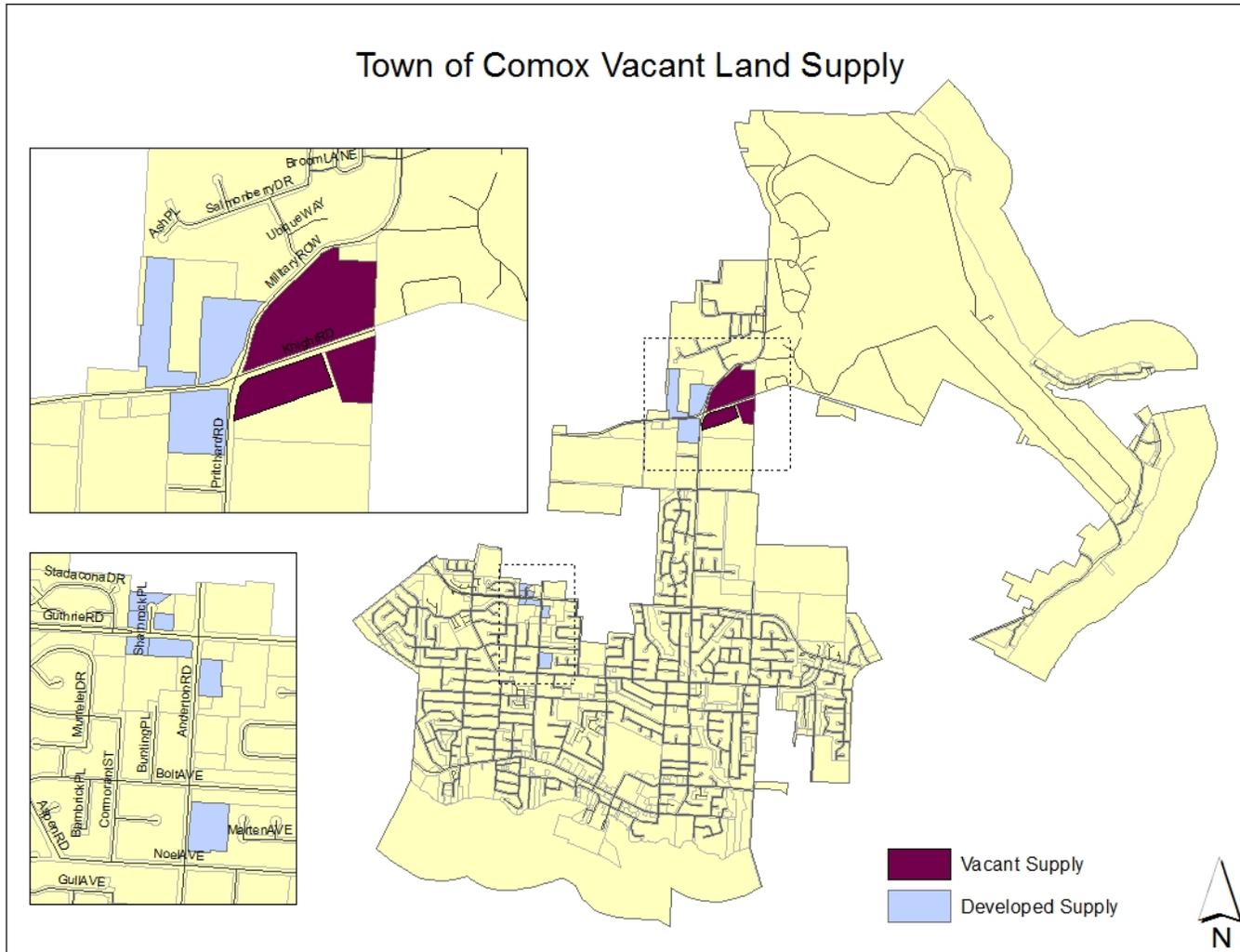




FIGURE 23: VILLAGE OF CUMBERLAND VACANT LAND SUPPLY

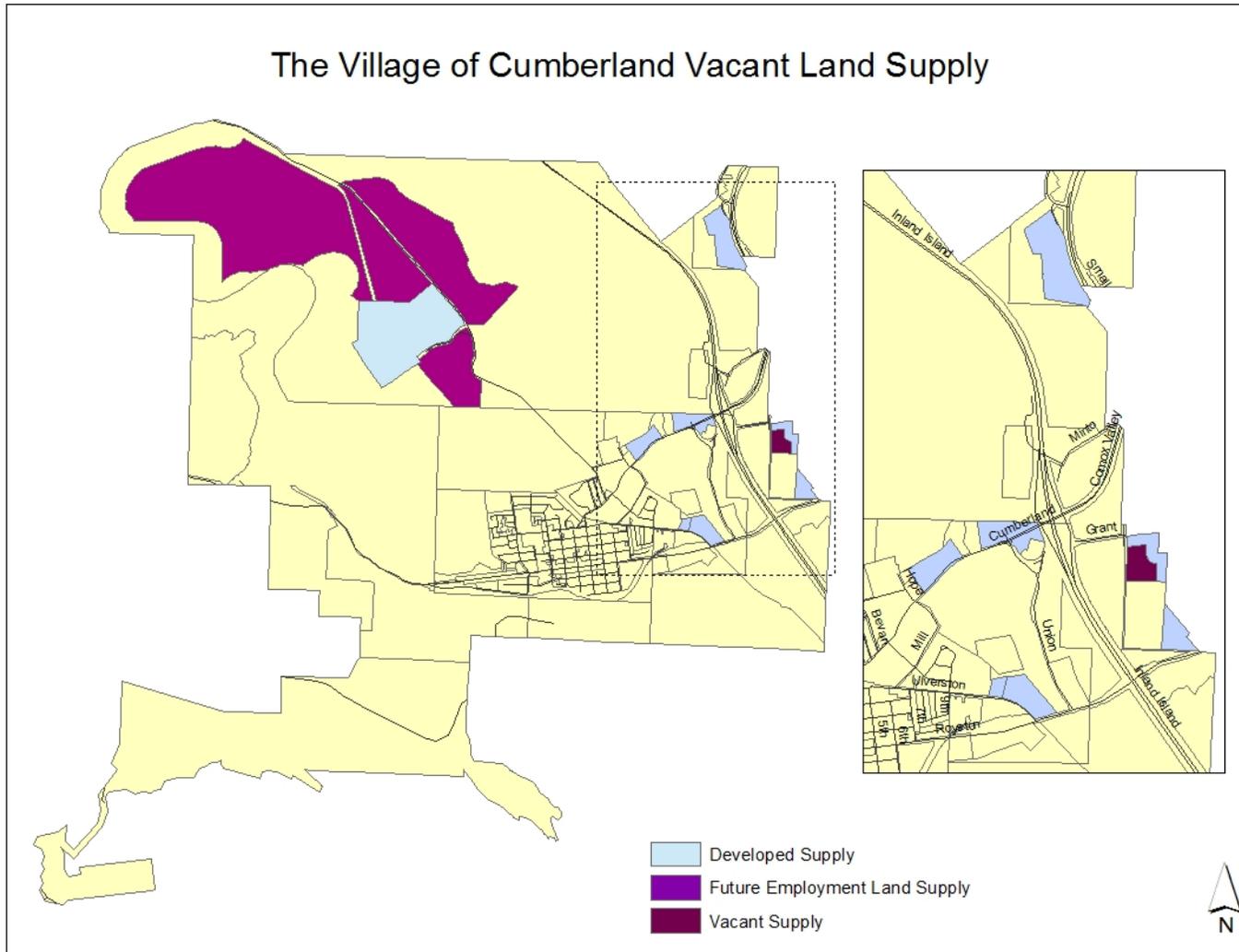
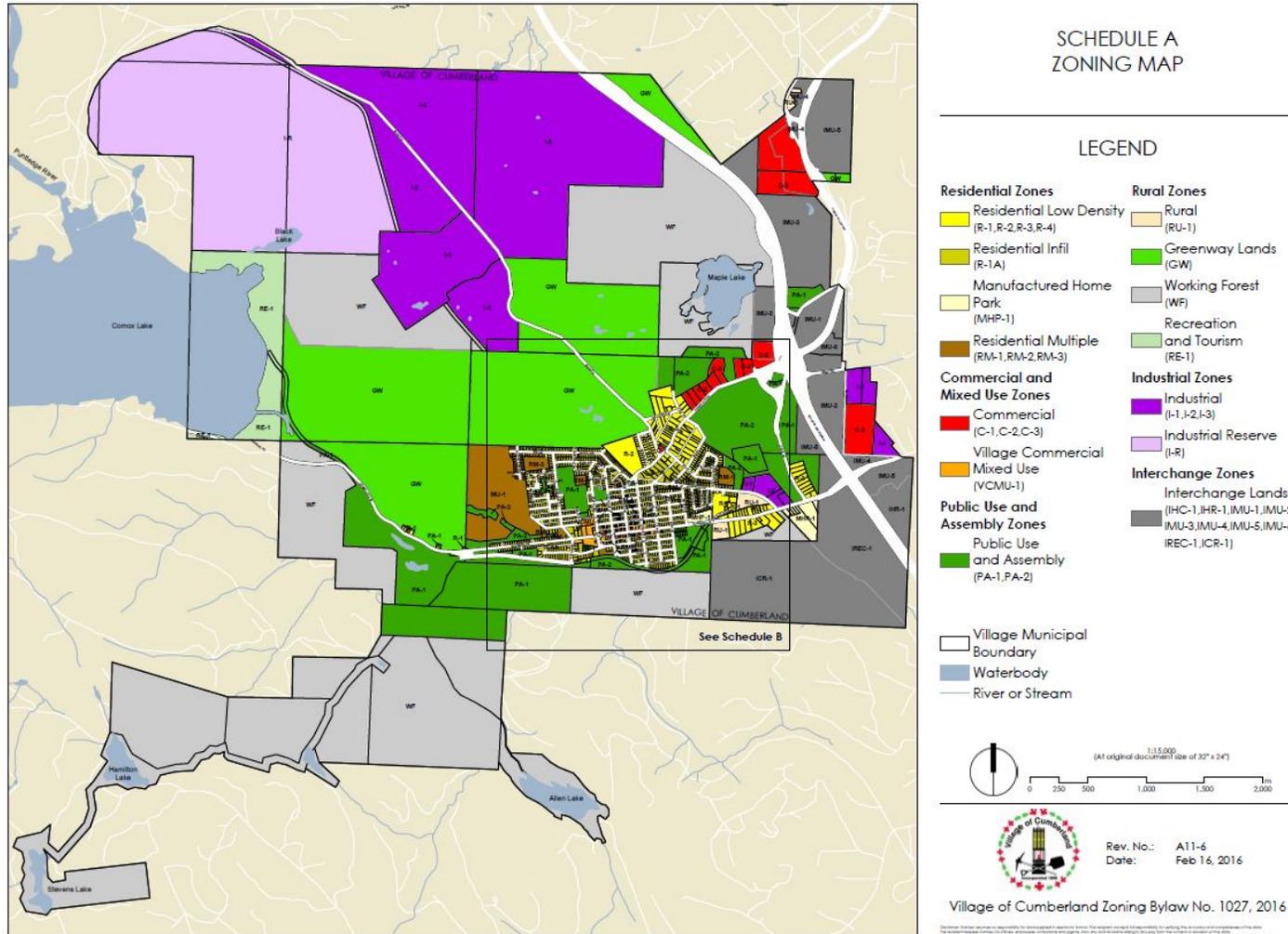




FIGURE 24: PROPOSED VILLAGE OF CUMBERLAND ZONING BYLAW UPDATE 2015-2016



For reference purposes only. As of April 4th, 2016, this zoning bylaw update has not formally been adopted and is only included here to highlight that changes in the bylaw in the Village of Cumberland are forthcoming (likely in the summer of 2016).



FIGURE 25: THE CITY OF COURTENAY VACANT LAND SUPPLY

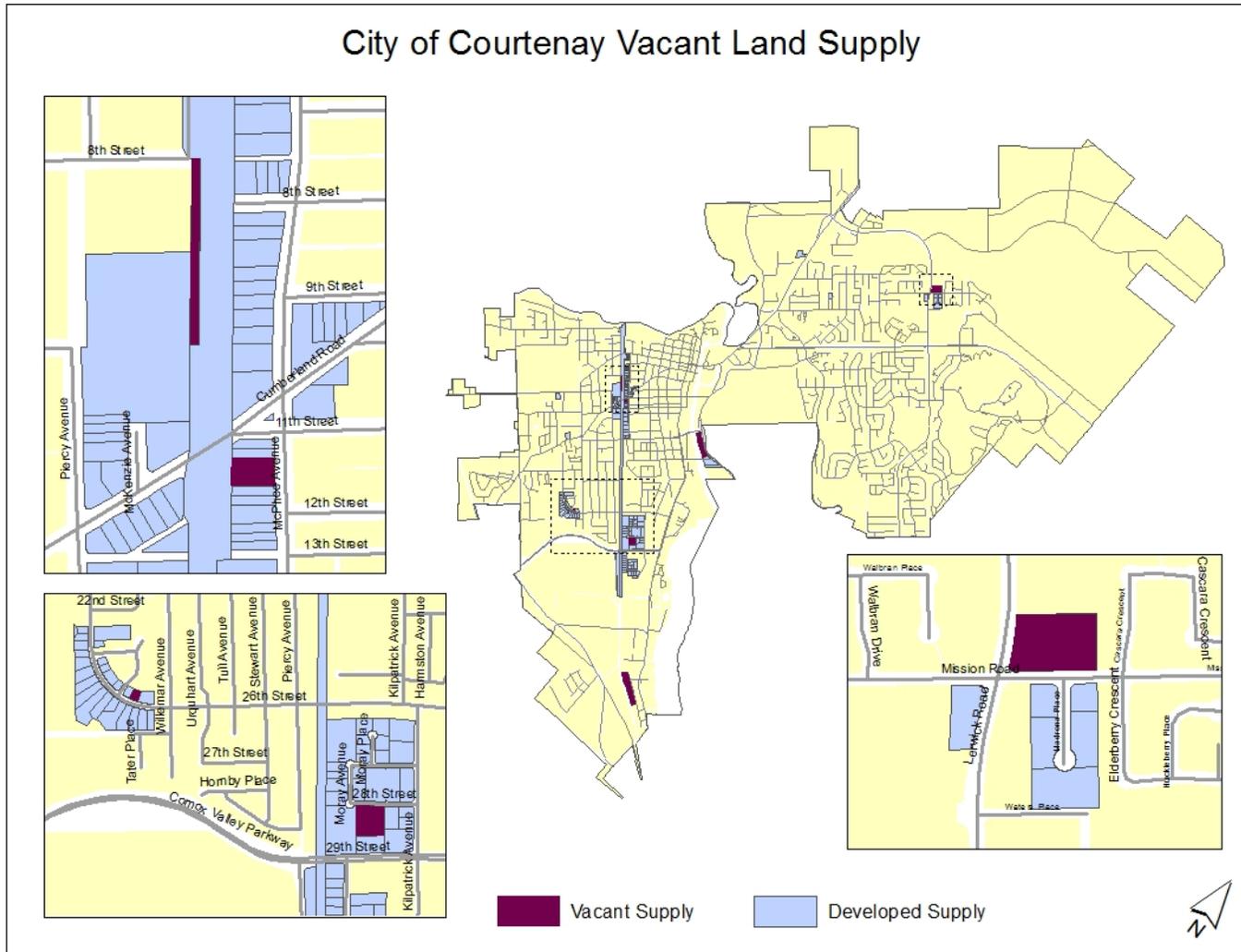




Figure 26 summarizes the total gross and net vacant industrial land supply for the Comox Valley³⁶ by geographic area. As illustrated in column A, the combined municipalities of the Comox Valley have a total gross of 1,528 acres of industrial land. The following paragraphs highlight the steps taken to identify the net vacant industrial land supply.

The supply of vacant industrial lands has been adjusted for major utilities corridors consisting of major oil/gas pipelines and major hydro corridors. Further, for larger non-subdivided vacant lands, it is estimated that after adjusting the gross supply for internal roads, storm water, open space, and municipal reserve requirements, the net industrial land supply would be approximately 98% of the gross inventory. With these aforementioned adjustments, 19 acres were removed from the industrial land inventory, as shown in column B.

In accordance with the aforementioned adjustments, the Comox Valley's net industrial land supply is estimated at 1,509 net acres, as summarized in column C. Of this, 311.4 acres were located in the Regional District, 76.9 acres were located in the Town of Comox, 981.2 acres were located in the Village of Cumberland, and 139.3 acres were located in the City of Courtenay. The largest supply of industrial land is located within the Village of Cumberland (i.e. the Bevan Road lands).

An orthophotos exercise provides an estimate of available vacant land in the current net industrial land count. Summarized in Column E, 75% of the total net industrial lands in the Comox Valley are assumed to be vacant. The Comox Valley's net vacant industrial land supply is 1,135.4 net acres, which includes 125 acres of net vacant land located in the Regional District, 38.1 acres of net vacant land located in the Town of Comox, 956.2³⁷ acres of net vacant land located in the Village of Cumberland, and 16.1 acres of net vacant land located in the City of Courtenay.

³⁶ As of November 2015

³⁷ Total acres of net vacant land include the future supply of industrial land as identified by the 2014 Village of Cumberland Official Community Plan



FIGURE 26: COMOX VALLEY REGIONAL DISTRICT GROSS VS. NET SUPPLY OF INDUSTRIAL LANDS (ACRES)³⁸

Zoning	Total Gross Industrial Land (A)	Adjustment for Utilities Corridors, Environmental Sensitivity Areas, Roads and Other Internal Infrastructure (B)	Net Industrial Land (C = A-B)	Net Vacant Industrial Land Supply (D)	Percentage of Zoning that remains Vacant (E = D/C)
Comox Valley Regional District					
Industrial Light	104.7	7.8	96.8	0.0	0%
Industrial Heavy	20.9	0.0	20.9	0.0	0%
Industrial Marine	190.0	0.0	190.0	122.2	64%
Industrial Storage	9.5	6.3	3.2	2.8	87%
Seafood Processing Aquaculture Facility One	0.5	0.0	0.5	0.0	0%
Town of Comox					
Light Industrial	4.8	0.0	4.8	0	0%
Aeronautical Industrial	67.0	0.0	67.0	38.1	57%
Commercial	3.7	0.0	3.7	0.0	0%
Commercial - Industrial	1.4	0.0	1.4	0.0	0%
Village of Cumberland					
Industrial*	981.2	0.0	981.2	956.2	97%
City of Courtenay					
Industrial One Zone	9.8	3.5	6.3	2.4	37%
Industrial Two Zone	101.4	1.3	100.0	13.3	13%
Industrial Three Zone	33.0	0.0	33.0	0.5	1%
Total					
	1,527.8	19.0	1,508.8	1,135.4	75%

Sources: Comox Valley Regional District Bylaw No. 2781, Town of Comox Bylaw No. 1377, Village of Cumberland Bylaw No. 717, City of Courtenay Bylaw No. 2500. Commercial zoned land presented above includes both retail and office uses. *Total acres of vacant land include the future supply of industrial land as identified by the 2014 Village of Cumberland Official Community Plan

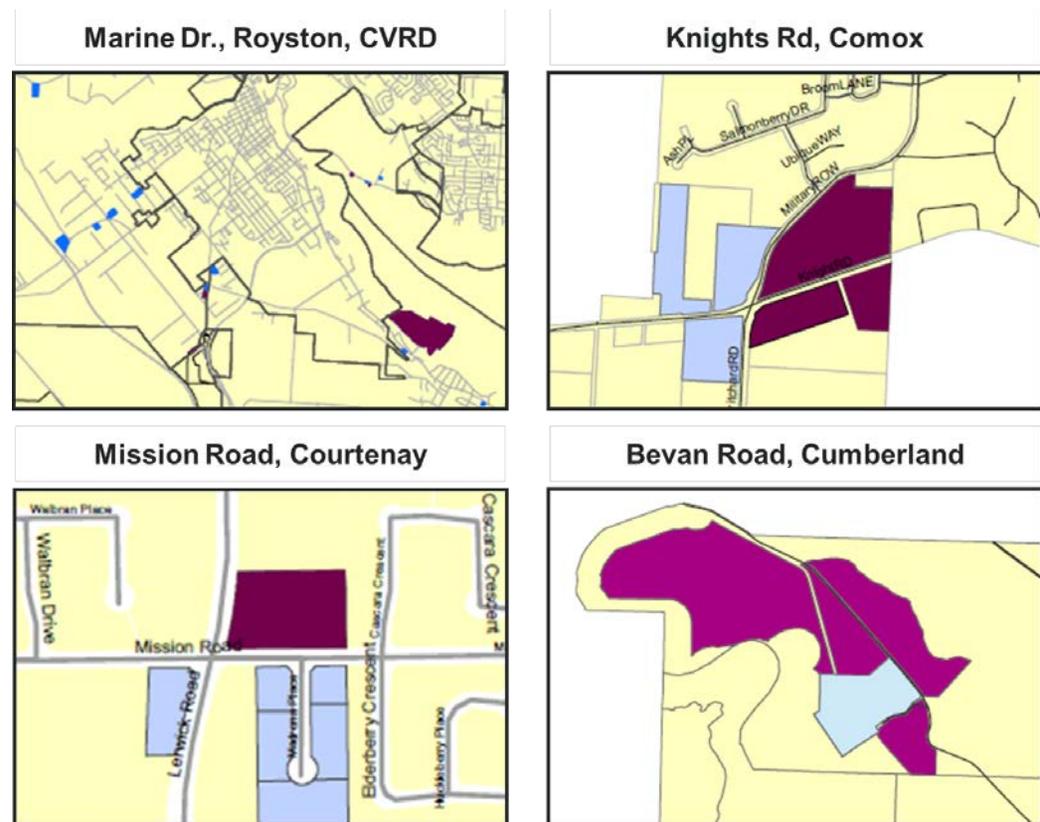
³⁸ It should be noted here that the table includes all lands zoned for industrial and office uses only and does not include lands zoned for retail. Depending on the zoning definitions in each area, office use may fall into differently named categories. For example, in CVRD, office use falls in the “industrial light” category whereas it falls within “commercial” in the Town of Comox. Commercial designations, however, do include retail and have been left out of the table for the most part so as not to confuse the findings by introducing retail into the study.



Market choice of shovel-ready industrial lands and potential for future expansion are key factors in the site selection process. “Shovel-ready” lands are defined as those that are serviced and zoned (slated for zoning) and generally considered potentially developable within the next 6 months. Based on further review of parcels that comprise the net vacant industrial land supply that was identified in Figure 26 it was determined that four specific parcels stood out for immediate and medium term investment. These four can be seen in Figure 27.

It is important that the Comox Valley provide a balanced inventory of shovel-ready and zoned developable vacant industrial lands that is sufficient to meet market demand in the short to medium term (i.e. over the next 10-15 years). In order to allow for proper market functioning and to provide sufficient market choice, the Comox Valley should work with the private sector to ensure that a minimum three-year supply of industrial lands (by various sizes, zoning, and location) is available at all times throughout the forecast period. The minimum three-year supply should be based on the current annual land absorption rate or short-term land absorption forecast. It is recommended that the Comox Valley monitor its current industrial land inventory at minimum every five years to determine if additional industrial lands are required to accommodate forecast demand.

FIGURE 27: IMMEDIATE AND MEDIUM TERM INVESTMENT OPPORTUNITIES (VACANT LAND PER MUNICIPALITY)





3.3 Employment Forecast and Land Needs Analysis

There is a close link between employment and land demand. Jobs in different types of industries require very different types of land, ranging from industrial to office to retail and including specialized land dedicated to agriculture, aquaculture and fishing, forestry, tourism resorts, major institutions, and so on. A certain percentage of employment is home-based and is accommodated within residential areas, while other jobs (like in construction) have no regular place of work and are regularly moving from job site to job site.

Understanding the future demand for employment land in the Comox Valley requires an understanding of how future employment is likely to evolve. Employment forecasts by industry to 2045 are developed and presented in this section under two scenarios – (1) a “status quo” scenario that is largely based on prevailing growth trends and the current outlook for key sectors, and (2) a “high-growth” scenario that assumes that a more aggressive approach to attracting certain key industrial users will accelerate growth in some industries.

Each of the employment growth scenarios is converted to a land demand forecast for the major land use types, focusing primarily on industrial and commercial office land demand, as well as specialized lands for industries like agriculture.

The land forecasts can then be compared to existing and potential land supply in the Comox Valley to determine whether current supply is sufficient, whether additional lands of a particular type will be required and when, and more generally to make clear to regional stakeholders what some of the key drivers of future land demand are likely to be.

3.3.1 Employment Projections

Methodology

Employment and land demand forecasts are created using an integrated model of regional growth that takes account of the linkages between industries, land use, and population. The key steps in the forecast methodology include:

- **Direct employment forecasts** for each of the major export-oriented sectors. Also called “traded sectors” or the “economic base”. These are the sectors that either derive significant revenue from markets beyond the local area or, in the case of the public sector, are largely funded by senior levels of government. Examples include resource sectors (agriculture, forestry, fishing, aquaculture), manufacturing (including food processing and wood products), tourism, technology and other



professional services, health care, education, government (including 19 Wing), transportation and construction. The particular approach to estimating growth in each sector is explained in detail below.

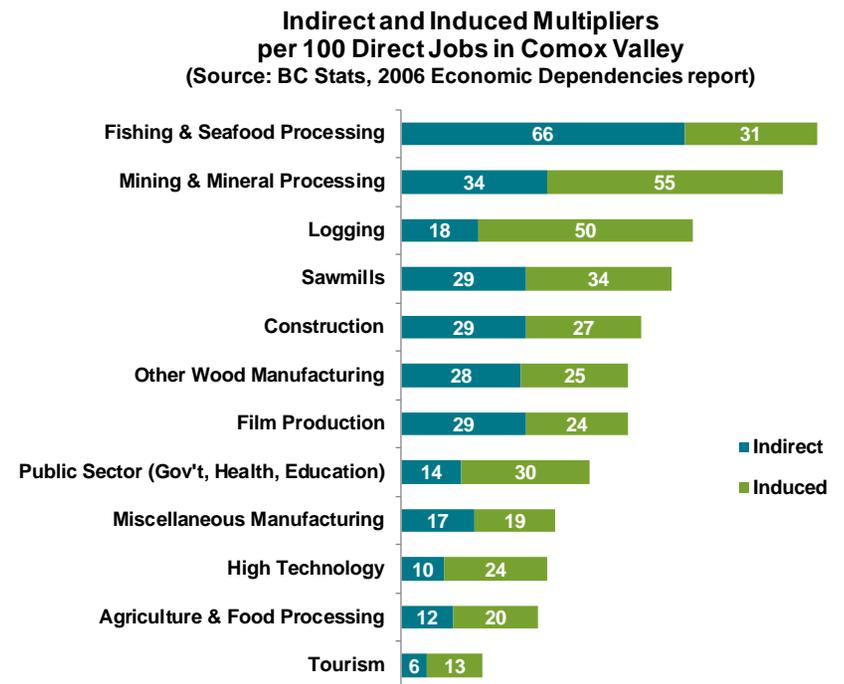
- Indirect and induced employment** is calculated based on the direct employment estimated in step #1 above. Indirect employment includes all of the local suppliers and support services to the direct industries, while induced employment is all of the population-serving industries, such as retail, personal services and recreation and entertainment. These calculations rely on input-output multipliers published by BC Stats and Statistics Canada.
- Land demand** for each type of commercial and industrial land is estimated based on the projected employment level by industry from steps #1 and #2 above. The relationship between employment and land demand is based on a combination of existing land use patterns and employment densities in the Comox Valley (which are calculated using detailed property assessment data).

One other element not mentioned in the three steps above is the impact of population growth, even if it is unrelated to the labour market. People who retire to the Comox Valley or otherwise move to the area and do not have employment income in their household still create local employment impacts through purchases of local goods and services, consumption of local public services, etc. Non-employment income may include pensions, investments or various government transfers. These impacts are also incorporated into the analysis.

Figure 28 shows the impact of each export-oriented sector in terms of the number of additional indirect and induced jobs that are supported in the Comox Valley. Sectors with significant local purchases of supplies and services will typically have a larger indirect multiplier, while sectors with higher labour income (from some combination of higher wages and salaries and more full-time rather than part-time work) will have a larger induced multiplier.

The multipliers are derived from 2006 Census data and have not been updated by BC Stats. However, an analysis of multipliers over the 1991 to 2006 period shows they change relatively slowly, so they are still considered a reasonable representation of the structure of the Comox Valley.

FIGURE 28: INDIRECT AND INDUCED MULTIPLIERS PER 100 DIRECT JOBS IN COMOX VALLEY





Employment Baseline

The most recent detailed employment data for the Comox Valley is from the 2011 National Household Survey. These figures are the starting point for growth projections through 2045.

Figure 29 shows the two components of employment, as defined for purposes of these projections:

- Jobs with a fixed place of work in CVRD, meaning that people go to work at the same place in CVRD every day (even if they live elsewhere). Note that this includes those who work at home.
- Employed residents of CVRD who have no fixed place of work, which is common in sectors like construction where the place of work is regularly changing from job site to job site.

The rationale for including the “no-fixed-place” jobs is that even itinerant jobs in construction, transportation (e.g. taxi drivers), sales, and/or repair services often have a shop or garage or some other employment land requirement that goes along with the job. The focus of this analysis is on the primarily export-oriented sectors listed below.

FIGURE 29: BASELINE EMPLOYMENT IN EXPORT-ORIENTED SECTORS IN COMOX VALLEY, 2011

Export-Oriented Sector	Jobs with Fixed Place of Work in CVRD	Employed CVRD Residents with No Fixed Place of Work	Total Employment
Logging	197	290	487
Sawmills	20	0	20
Other Wood Manufacturing	96	0	96
Mining & Mineral Processing	192	119	311
Agriculture & Food Processing	778	83	861
Fishing & Seafood Processing	40	114	154
Construction	813	1,558	2,371
Miscellaneous Manufacturing	51	0	51
High Technology	303	70	373
Film Production	25	0	25
Public Sector (Gov't, Health, Education)	7,937	1,118	9,055
Tourism-reliant (Estimate)	1,694		1,694
....including Accommodations	394	0	394



Export-Oriented Sector	Jobs with Fixed Place of Work in CVRD	Employed CVRD Residents with No Fixed Place of Work	Total Employment
...other tourism-reliant (estimate)	1,300		1,300
Total Export-Oriented Employment			15,499

Source: Statistics Canada, National Household Survey, 2011. Sector definitions are adapted from BC Stats.

The export-oriented jobs summarized above are supporting additional indirect and induced employment in CVRD (as shown in Figure 30). Note that two induced effects are shown – the first is from employment income, based on the induced multipliers described earlier, while the second is from non-employment income, based on the pension, investment, government transfer, and various other non-employment income sources that also have a local employment impact.

FIGURE 30: DIRECT, INDIRECT AND INDUCED EMPLOYMENT BASELINE IN COMOX VALLEY, 2011

Employment Category	Total Employment	Notes
Direct (Export-Oriented)	15,499	See previous table for components of direct employment.
Indirect (Suppliers)	2,542	Examples include accountants, lawyers and other business and professional services, suppliers of raw materials, utility providers, etc.
Induced (Household-serving) – from Employment income	4,348	Examples include retail shops, personal services like drycleaners and hair stylists, restaurants, local recreation and entertainment, etc.
Induced (Household-serving) – from Non-employment Income	4,852	Same as above.
Total Comox Valley Employment	27,240	

Employment Growth Scenarios

The employment projections rely on an estimated annual growth in each of the key export-oriented sectors, which subsequently generate additional local indirect and induced employment impacts.

In addition, the impact of non-employment income is projected based on the observed relationship between non-employment induced employment and the number of CVRD residents in the 55+ age range. Residents in this age range often have



significant non-employment income from pensions and investments and recent trends suggest that growth in the local population in this age range tracks very closely with growth in induced employment from non-employment income.

Projected growth rates for each sector are based on a variety of factors, including relevant past growth trend, the general outlook of industry stakeholders in consultation sessions held for this study, and other relevant indicators that may be available on a sector-by-sector basis. Unfortunately, recent growth trends in CVRD and the broader Vancouver Island and Coast Economic Region are very modest or negative in some cases. From 2011 to 2014, total employment in the Island/Coast region declined, while according to BC Stats population estimates, the prime working age population in CVRD is in a current downward trend, suggesting a similar decline in the local labour force and employment.

Several relevant trends are shown in the table below for each key export-oriented sector. The particular years and geographic areas shown are based largely on the availability of comparable data, but the general purpose is to show both a relatively recent, local trend (2006 to 2011 employment change in CVRD) as well as a broader, longer-term trend (BC wide employment change from 1987 to 2014).

The projected growth in CVRD from 2011 to 2045 is based on a combination of all of these factors. Growth is projected on a linear basis, meaning that a projected increase of 50% (for example) would be projected with an equal number of jobs added each year. This is preferable to a compounding annual growth rate, which has the potential to grow exponentially more quickly in the later years of a 30+ year forecast horizon.

FIGURE 31: PROJECTION ASSUMPTIONS BY EXPORT-ORIENTED SECTOR

Export-Oriented Sector	RECENT TREND: Average Annual Growth Rate, Fixed Place of Work Jobs in Comox Valley, 2006-2011	BC LONG-TERM TREND: Average Annual Growth Rate, Employed BC Residents, 1987-2014	Other Comments/Notes	“Status Quo” Growth Projection, 2011-2045 (34 years)	Possible High-Growth Projection, 2011-2045 (34 years)
Logging	-4.3%	-0.8%	Annual allowable cut in Strathcona Timber Supply Area recently lowered again – currently more than 25% lower than in the 1990s.	-25%. Continued gradual decline.	-25%. Same as status quo.
Sawmills	-19.6%	-1.6%		-25%. Same change as logging.	-25%. Same as status quo.



Export-Oriented Sector	RECENT TREND: Average Annual Growth Rate, Fixed Place of Work Jobs in Comox Valley, 2006-2011	BC LONG-TERM TREND: Average Annual Growth Rate, Employed BC Residents, 1987-2014	Other Comments/Notes	“Status Quo” Growth Projection, 2011-2045 (34 years)	Possible High-Growth Projection, 2011-2045 (34 years)
Other Wood Manufacturing	-4.4%	-1.0%	Greater long-term potential than logging and sawmills if based on specialized, high-value products.	0%. Holding steady in long term.	25%. Modest potential to expand markets.
Mining & Mineral Processing	1.3%	0.2%	Primarily sand and gravel operations.	Grows in proportion to construction.	
Agriculture & Food Processing	2.1%	-0.3%	Significant under-utilized land remains, plus a growing regional identity and expected continued market growth for locally-grown, high-value products.	+50%. Continuation of healthy recent growth.	+100%. Larger-scale operations may double the sector by 2045.
Fishing & Seafood Processing	-18.1%	-2.2%	Significant potential to expand shellfish production with tenure expansion, plus continued exploration of new species and new processing opportunities by KFN and others.	+25%. Resumption of modest growth is expected.	+200%. Potential to significantly expand (tripling the size of the sector).
Construction	-3.4%	3.4%	For purposes of this analysis, construction is considered to follow growth patterns in other sectors.	50% of growth is in proportion to total export-oriented employment (including from non-employment income), 50% is in proportion to total population growth above 1% (and declines with total population growth below 1%).	
Miscellaneous Manufacturing	-26.1%	1.1%	This includes various manufacturing activities not related to any of the resource industries (wood, mineral, fish, food) covered above.	0%. No change.	0%. Not considered a high-potential sector.



Export-Oriented Sector	RECENT TREND: Average Annual Growth Rate, Fixed Place of Work Jobs in Comox Valley, 2006-2011	BC LONG-TERM TREND: Average Annual Growth Rate, Employed BC Residents, 1987-2014	Other Comments/Notes	“Status Quo” Growth Projection, 2011-2045 (34 years)	Possible High-Growth Projection, 2011-2045 (34 years)
High Technology	5.7%	3.2%	Includes a mix of different industries that are either producers of technology products or rely heavily on technology. Prominent examples in the Comox Valley include computer systems design, telecom carriers, scientific R&D, and computer and electronic part manufacturing.	100%. Continued strong growth expected.	200%. Potential for significant expansion.
Film Production	0.2%	3.7%		25%. Modest growth potential.	25%. No change.
Public Sector (Gov't, Health, Education)	3.2%	2.2%	19 Wing is assumed to be constant under the status quo, but the rest of the public sector to grow with population.	19 Wing employment assumed to remain around 1,600 and the rest of the public sector to grow with population.	
Accommodations (proxy for Tourism)	-7.0%	1.7%		25%. Outlook for new product and visitation trends both positive.	50%. Additional development of significant tourism product.

Employment Projection Summary

The results of the employment projections under each scenario are summarized in Figure 32. These are subsequently used as inputs into the projection of employment land demand in the following section.



FIGURE 32: SUMMARY OF EMPLOYMENT PROJECTIONS

Sector	BASELINE: 2011 Employment	"STATUS QUO" GROWTH PROJECTION		POSSIBLE HIGH-GROWTH PROJECTION	
		2045 Employment	Average Annual Growth	2045 Employment	Average Annual Growth
Logging	487	365	-3	365	-3
Wood Manufacturing (Sawmills and Other)	116	111	0	135	0
Mining & Mineral Processing	311	397	2	433	3
Agriculture & Food Processing	861	1,291	10	1,722	19
Fishing & Seafood Processing	154	193	1	463	7
Construction	2,371	3,027	15	3,300	21
Miscellaneous Manufacturing	51	51	0	51	0
Technology & Film	398	777	8.4	1,150	16.7
Public Sector (Gov't, Health, Education)	9,055	11,609	57	11,609	57
Tourism-reliant (Estimate)	1,694	2,118	9	2,542	19
Indirect Employment	2,542	3,237	15	3,627	24
Induced from Employment Income	4,348	5,520	26	5,933	35
Induced from Non- employment Income	4,852	6,714	41	6,714	41
Total	27,240	35,410	182	38,043	240



3.3.2 Land Demand Projections

Methodology

Land demand for commercial and industrial purposes is calculated based on the employment projections discussed above, combined with a comprehensive analysis of the relationship between employment and land use in the Comox Valley. The key steps in the process include:

- Employment data for more than 300 industries (i.e. a much greater level of detail than the broad industry sectors discussed earlier in the report) is assigned to one of about 12 possible land uses (including industrial, general retail, office, service commercial, institutional, and various specialized land uses such as farming, transportation infrastructure, mining and recreation/heritage). Home-based jobs are also included in the calculation.
- Using BC Assessment data for non-residential properties, each parcel is also allocated to the same land use types from step 1 above, as well as an industry sector. This process uses Actual Use Codes assigned by BC Assessment, which describes the use of the land, as well as Manual Class Codes, which describe the use of any improvements on the parcel.
- Using parcel size data from the assessment roll, the total amount of land that is both occupied (meaning it contains a building) and vacant (meaning it does not contain a building) can be estimated for each general type of land use. Employment data from the 2011 National Household Survey is then combined with the land area calculations to produce an estimate of employment intensity, shown below as jobs per acre.

Note that only industrial and commercial land uses are shown below. The categorization of land may not be consistent with current zoning or Official Community Plan designations. The distinctions between land uses are also not always clear – there is likely some blurring between the definitions of service commercial and light industrial, office commercial and general retail/service, etc.

Employment Intensity

The purpose of the analysis is to provide a relatively high-level summary of the current intensity of land use as well as a projection of the volume of land that would be required to accommodate future growth, assuming current densities are maintained. It is possible that land is currently being under-utilized and can accommodate more employment and other activities without increasing the total footprint, which is one possible response to any future shortages of land of a particular type.



FIGURE 33: ESTIMATED EMPLOYMENT BY LAND USE AND AVERAGE EMPLOYMENT INTENSITY, COMOX VALLEY

Land Use Category	Estimated 2011 Employment in Comox Valley	Estimated Land Area (Acres)	Estimated Employment Intensity (Jobs per acre)
General retail/service	6,165	222	28
Office	5,675	188	30
Service commercial (more auto-oriented, e.g. service station, hotel)	4,480	271	17
Industrial	890	4,445	0.2

As noted in Figure 33 above, employment densities are in the range of 30 jobs per acre for general retail/service and office-based activities. Service commercial is somewhat more land-intensive and contains about 17 jobs per acre on average.

The calculated employment intensity for industrial land is very low – currently 0.2 jobs per acre. This is due in part to some very large industrial parcels for utilities. A separate estimate looking only at the three municipalities suggests an employment intensity in the range of 0.7 to 0.8 jobs per acre, which is still far below the commercial land uses.

For purposes of the land demand projections, it is assumed that future industrial development in the Comox Valley will be somewhat more intense, yielding a still conservative 4 jobs per acre.

Employment and Land Demand Projections by Land Use

Figure 34 is based on the same employment projections shown in previous sections but is organized according to approximate land use rather than industry. Please note that this table only includes employment located on industrial and commercial land (as they are the focus of the study) and excludes institutional, agricultural and other employment lands.



FIGURE 34: SUMMARY OF EMPLOYMENT PROJECTIONS BY SELECTED LAND USE

Land Use Category	BASELINE:	"STATUS QUO" GROWTH PROJECTION		POSSIBLE HIGH-GROWTH PROJECTION	
	2011 Employment	2045 Employment	Average Annual Growth	2045 Employment	Average Annual Growth
General retail/service	6,164	8,762	58	9,280	69
Office	5,674	6,921	28	7,263	35
Service commercial	4,478	5,385	20	5,873	31
Industrial	891	1,418	12	1,876	22
Total Employment on Commercial and Industrial Land	17,208	22,487	117	24,293	157

If employment intensities remain the same over the next few decades, additional land will be required in each of the major commercial and industrial categories in order to accommodate further growth.

Based on the current number of jobs per acre (except for industrial – a revised average of 4 jobs per acre is used), the projected demand for additional employment land is in the range of 300 to 430 acres, or 9 to 13 acres per year, between 2011 and 2045 (as seen in Figure 35).



FIGURE 35: SUMMARY OF LAND DEMAND PROJECTIONS BY SELECTED LAND USE

Land Use Category	"STATUS QUO" GROWTH PROJECTION		POSSIBLE HIGH-GROWTH PROJECTION	
	Additional Land Demand, 2011-2045	Average Annual Increase	Additional Land Demand, 2011-2045	Average Annual Increase
	(Acres)	(Acres)	(Acres)	(Acres)
General retail/service	94	2.8	112	3.3
Office	55	1.6	56	1.6
Service commercial	15	0.4	17	0.5
Industrial	132	3.9	246	7.2
Total Commercial & Industrial Land	296	8.7	432	12.7

The projections show that the additional land demand in the coming decades is expected to be split relatively evenly between industrial and commercial land uses (3.9 acres per year of industrial, 4.8 acres per year for the combined commercial categories outlined above). Note there is some blurring between general retail/service, office and service commercial lands so they can easily be combined into a single commercial land demand figure. Most of the additional land demand that would be realized under the high-growth scenario is for industrial land, driven by the potential for elevated growth in agricultural and seafood processing and selected manufacturing opportunities.

At a gross level, the projected demand for additional employment land can be accommodated within existing supply in the Comox Valley, which is currently estimated at about 1,100 acres of net vacant supply (see Figure 26). The majority of the vacant supply is comprised in the future Bevan Road lands in Cumberland, which may not be suitable for all potential users. Feedback from the technology sector, for example, strongly emphasized the desire to locate in more urban environments with a variety of amenities in close walking distance and good transit and other transportation connections. Similarly the 122 acres of vacant industrial marine land is likely suitable for only a narrow range of possible industrial users.

Excluding the Bevan Road and the industrial marine lands yields an estimated vacant supply of about 57 acres. This is a better indicator of the current supply of readily available industrial and office commercial land. Figure 35 above shows combined



demand from office and industrial users is estimated at 5.5 to 8.8 acres per year under the status quo and high-growth scenarios. **This suggests the Comox Valley has sufficient supply for 6-10 years of growth, depending on the scenario.**

It should be noted that it may be possible for some growth in employment land demand to locate in areas that are not currently captured in the land supply analysis. Growth in food processing, for example, may be accommodated on existing agricultural land, while the K'ómoks First Nation may use lands not currently part of the inventory to accommodate growth in shellfish processing or other manufacturing ventures they choose to pursue.

3.4 Employment and Industrial Land Recommendations

3.4.1 Vision and Guiding Directions

A primary objective of the employment and industrial lands-based FDI strategy is to provide a long-term vision for the Comox Valley, which ensures that it continues to develop as a competitive, well-balanced, and sustainable region. Fundamental to that primary objective is an adequate supply of strategically located employment and industrial lands provided through a more coordinated and holistic approach among the Regional District, its member municipalities, and the K'ómoks First Nation. These employment and industrial lands should be developed in a manner that allows the Comox Valley to build on its historic, existing, and emerging economic characteristics, while enhancing its economic base and fiscal sustainability through the continued growth of a diverse range of industrial and knowledge-based employment sectors – based on both domestic and international sources of investment.

The Regional Growth Strategy (discussed in greater detail in the Appendix) presents a long-term vision for the Comox Valley based on the community's aspirations:

The Comox Valley will continue to evolve as a region of distinct, well-connected and well-designed urban and rural communities. As stewards of the environment, local governments, the K'ómoks First Nation, public agencies, residents, businesses and community and non-governmental organizations will work collaboratively to conserve and enhance land, water and energy resources and ensure a vibrant local economy and productive working landscapes.

The vision and guiding direction for the Employment and Industrial Lands-based FDI Strategy to 2045 is consistent with that broader regional vision. The strategy focuses on the sustainability and vibrancy of the Comox Valley, with the provision of spaces to accommodate economic development opportunities. The overall guiding vision and direction for employment and industrial lands in the Comox Valley is outlined below.



Through collaboration and coordination of planning, servicing, and development strategies among the Regional District, local governments, the K'ómoks First Nation, public agencies, businesses and non-governmental organizations, the Comox Valley will provide a continued supply of lands and spaces in urban and rural areas with the broad range of market choice characteristics that appeal to industrial and knowledge-based businesses internal and external to Vancouver Island. Domestic and international investment is pursued with the intent of balancing environmental stewardship and natural resource conservation with the enhancement of municipal fiscal sustainability, increased vibrancy of the regional economy, and the provision of quality employment opportunities.

The Comox Valley is projected to accommodate employment growth of 8,000 to 11,000 jobs by 2045, with the majority of that employment growth directed to the urban settlement areas (known as the “core areas” in the Regional Growth Strategy). At current employment densities, this translates to an overall demand of 300 to 430 net acres of employment lands over the next 30 years (plus additional land demand in categories not considered in this study, including institutional and resort/recreational). While the Comox Valley has the ability to accommodate additional employment growth over the medium term, the region is expected to exhaust its supply of readily available employment lands within 6 to 10 years, or by the 2021 to 2025 period. This suggests that all stakeholders across the Comox Valley need to start considering strategies to provide for the accommodation of employment growth over the medium to longer term, to ensure that the area has the investment-ready infrastructure, land, and policies in place to meet municipal objectives around employment generation and fiscal sustainability.

The following recommendations build on that broader goal of increasing the Comox Valley's competitiveness for employment and industrial land development, and offer insights into the ways in which the region can better position itself to ensure it retains and enhances its position as a destination for industrial and knowledge-based investment. Each strategic recommendation outlines the current issues and opportunities associated with it, as well as policy or process based actions for stakeholders across the Comox Valley to consider in their longer term land use and economic development planning activities.

3.4.2 Strategic Recommendations

Provide policy directions on the conservation of employment and industrial lands for industrial and knowledge-based uses

Over the last several years, municipalities in the Comox Valley have received applications for the conversion of industrial lands for non-industrial uses (e.g. retail, residential, or institutional). As with many other areas of the country, the desire to convert industrial lands for other uses, namely commercial retail or residential, is often driven by higher demand (and hence higher market values) than uses in the industrial or knowledge-based sectors.



Given the limited current supply of employment and industrial lands across the region, it is critical that Comox Valley maintain that supply to accommodate the high value industrial and knowledge-based employment uses that will best align with regional objectives around employment growth and economic diversification. However, there is also a need to maintain the flexibility that will allow for municipalities to either:

- Accommodate specific types of non-industrial investment that is complementary to adjacent industrial development, making for a more 'complete' employment area, or does not generate characteristics that will create conflicts with adjacent industrial uses
- Convert employment or industrial lands to other uses, where site characteristics are more appropriate for other sectors or limit the market potential in industrial or knowledge-based sectors

On the first point, municipalities across the Comox Valley should introduce more defined policy direction or criteria in the OCPs to outline goals and objectives for non-industrial uses on industrial lands and in industrial areas. For example, policies should direct that non-industrial, non-office uses should be focused on servicing businesses and employees within the surrounding industrial area, and that non-industrial, non-office uses will be limited to those that do not generate traffic or parking demands. Though the City of Courtenay has limited policy direction on office and significant retail on industrial lands, only CVRD has policies that discourage conversion or use of industrial lands for other uses. Stronger policy direction is needed to discourage absorption of industrial lands by non-industrial uses that might affect the market opportunities on adjacent industrial lands, particularly in the member municipalities.

The second point outlines that not all conversions should be restricted, but rather that any proposed conversions be considered under a systematic approach and methodology. Ideally, applications for conversion of industrial or employment lands to other uses should be made within the context of overall planning policy or regulatory reviews, where municipalities are assessing their long term land needs on a more holistic or comprehensive basis. This includes five-year reviews of OCPs. Whether within or independent of a more comprehensive process, all conversions of industrial or employment land should at least be reviewed against the following evaluation criteria to determine the merits of conversion:

- Site is located outside, or on the fringe of an employment or industrial area
- Site is isolated from surrounding designated employment or industrial lands
- Site is surrounded by non-industrial or non-employment land uses or designations on at least three sides
- Conversion would not create land use compatibility issues with adjacent development
- Conversion of site would not negatively affect other employment or industrial lands in the area
- Conversion would be consistent/supportive of policy planning objectives in the RGS and associated local OCPs



- Conversion does not contravene any policy planning objectives in the RGS and associated local OCPs
- Site offers limited market choice for employment or industrial lands development due to location, size, configuration, or physical conditions
- Site does not offer potential future expansion opportunities for adjacent existing or future employment and industrial lands

It is recommended that each community consider the adoption and application of a standard framework for reviewing future employment or industrial land conversion applications (both occupied and vacant sites) based on the evaluation criteria identified above. On a go-forward basis, the evaluation criteria identified herein is proposed to be used in conjunction with the OCPs and other land use plans across Comox Valley, in reviewing applications where an application has been submitted to convert all, or a portion of, an industrial or employment land site to a non-employment use (e.g. retail) or an alternate employment use (e.g. residential or institutional). Ideally though, any conversions of existing employment or industrial lands to other uses should be considered only within the context of a broader policy review exercise.

Revise land use regulations to reduce potential for retail or wholesale development on industrial lands

Many of the industrial zones in each of the municipalities accommodate a range of non-industrial uses, particularly related to retail services, food services, or other business or personal services. Some of these uses could potentially create negative impacts on the surrounding industrial or employment uses, or impact the future prospects of an area for industrial or employment land development. The most prominent issue is around the inclusion of retail and wholesale services on industrial lands in both Comox and the CVRD. Though retail and wholesale operations do contribute to the employment base of a community and offer benefits in terms of service provision or tax revenues, they may not offer the same type of fiscal or employment benefits that industrial or knowledge-based employment developments on those sites would offer. As such, the potential absorption of these lands for non-industrial or non-employment land uses, as is generally permitted through existing regulations, remains an issue from an economic development perspective.

Both CVRD and Comox should consider one of the following modifications to their existing zoning bylaw:

- Removal of wholesale and retail uses as a permitted principal use in the I1.1 zone in Comox, and the IL and IS zones in CVRD
- Reduction of wholesale and retail uses in industrial zones to accessory uses to a principal industrial or office use, as done the IH zone in CVRD, and for retail uses in the I2.1 zone in Comox



Undertake regular and ongoing monitoring of industrial and employment land supply and demand indicators, to assist with longer term growth management

Effectively accommodating employment growth and industrial or employment land demand over the longer term requires an ongoing effort to receive, catalogue, and assess development information, and accurately characterize the available supply of employment and industrial lands. The data collected in this study provides an accurate baseline of data to work from, but CVEDS, as well as the municipalities across Comox Valley will need to continue to develop and adapt the data further to inform longer term planning and growth management activities.

As a regional structure undertaking economic development for the four municipalities, and in partnership with KFN, CVEDS remains a logical entity to collect and disseminate development-oriented information. In partnership with the municipalities and local governments, CVEDS should develop a system for tracking, monitoring, and reporting on industrial and employment land supply and demand data, to assist with longer term planning activity and development inquiry responses, building on the baseline data in the industrial land strategy. Data should be tracked on an ongoing basis as it is available, and should include both site-specific and Comox Valley-wide data, such as:

- Number of industrial or commercial office development inquiries and characteristics of inquiry (e.g. sector, parcel size)
- Proposed building sizes on industrial or employment lands (GFA)
- Constructed building size on industrial or employment lands (GFA)
- Industrial and employment land absorption
- Industrial land availability (i.e. amount on the market)
- Business openings/closings
- Employment on industrial and employment lands
- Industrial land inventory (by MDP designation, zoning classification, and servicing status)
- Commercial office and industrial facility inventory

Under direction of CVEDS and in partnership with the local governments and KFN, the region should undertake a comprehensive industrial and employment land inventory exercise at a minimum of every five years, to determine when industrial or employment lands are required to accommodate demand and assess market choice. The analysis should also track the alignment of growth estimates in this study against actual levels of growth and measure any changes in the intensity of employment land use over time.



Work with K'ómoks First Nation to identify and assess opportunities for employment and industrial lands development, and innovative solutions to development constraints

K'ómoks First Nation (KFN) is an important regional partner for the Comox Valley in promoting continued economic development and investment attraction in the region. Creating new opportunities for collaboration and partnership should always be a priority.

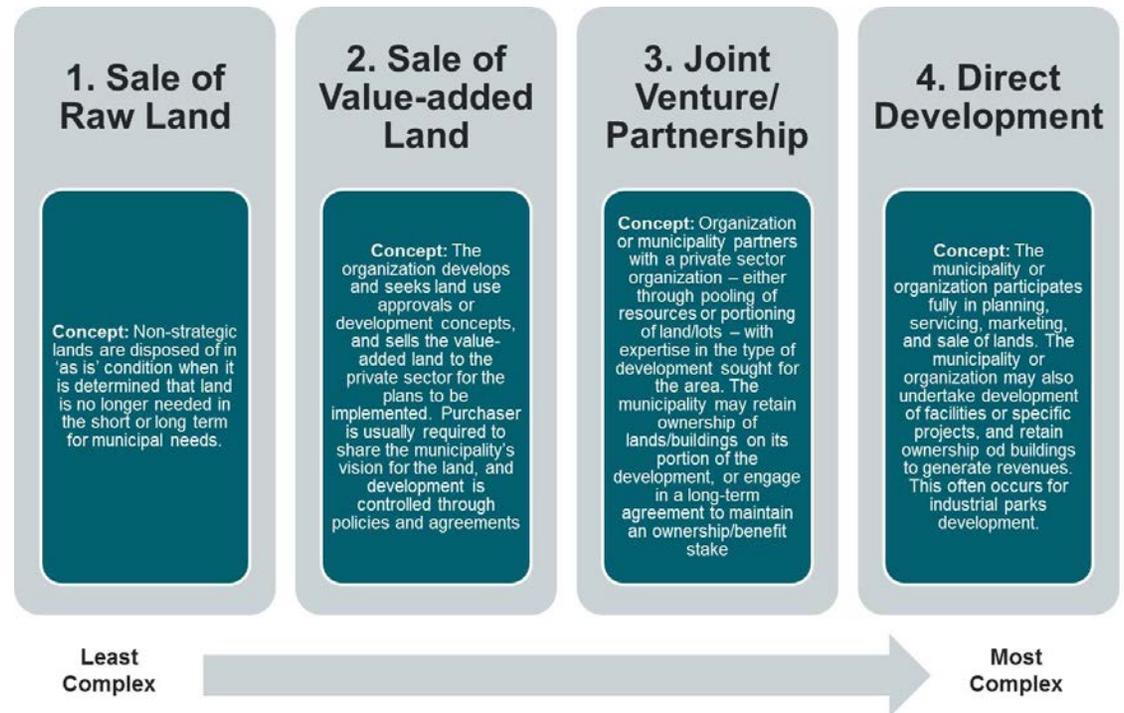
KFN has a number of important opportunities ahead of it that could have major impacts on the availability of employment and industrial lands in the region. If the current Treaty negotiations are resolved, KFN will become a major landowner in the Comox Valley area. These KFN lands could play an important role in accommodating future industrial and other development within the Comox Valley by expanding the choice of lands available to investors looking for employment and/or industrial lands (particularly industrial lands). Seafood processing in particular is a likely target for employment growth on KFN lands to complement already existing aquaculture operations.

It will also be very important to work with KFN to explore and resolve issues and promote solutions around servicing provision on key lands with employment and industrial lands prospects.

Develop the future Bevan Road lands as the key industrial area in the Comox Valley, to accommodate long term employment growth

CVEDS should investigate options for acquisition and development of lands from Hancock Timber Resource Group in order to better position the Bevan Road lands as the key industrial area in the Comox Valley. The range of options for a municipality in industrial land and property development can be described as a continuum of activity, ranging from the disposition of raw land (that has been acquired strategically or

FIGURE 36: CONTINUUM OF INDUSTRIAL DEVELOPMENT ACTIVITY





proactively, through tax arrears remedies, or dedication) to the direct development of land. Figure 36 outlines a basic continuum of economic development activity focused on land development, from least to most complex roles that CVEDS should consider when determining the most appropriate channels to acquire lands. It is important to recognize that each stage of the continuum presents different potential risks and rewards for CVEDS and any private sector developer.

In positioning the Bevan Road lands for future industrial development, CVEDS should also work with Cumberland/CVRD to review the proposed zoning bylaw; extend water/wastewater servicing to the site, provided this can be accomplished in a fiscally sustainable fashion; and to identify feasible options for improving road accessibility of the site. The existing road network likely does not currently support access/circulation requirements for industrial use which will limit the investment potential of the lands.

Under the requirements and conditions in the RGS, assess and identify key areas for employment or industrial land development in settlement expansion areas to accommodate long term employment growth

Consideration should be given to the key areas for employment or industrial land development that may need municipal boundary expansion to occur to accommodate long term employment growth within the Comox Valley. Focus should be on planning for the time when the employment and industrial land availability in the Comox Valley cannot meet the demand. In this way, study of areas in the “settlement expansion area” that might be appropriate for industrial or employment land development with a municipal boundary expansion over the longer term should be considered, as well as understanding the list of criteria in the RGS that must be satisfied before a boundary expansion could be completed. To be clear, expanding municipal boundaries is not necessarily the recommendation here, but rather it is important to initiate a study in the next 5-10 years to look at what might be appropriate if one of the municipalities is able to financially/environmentally expand their borders to help meet demand.

In order to plan effectively for this potential need, consideration should also be given to designating lands as future employment areas to restrict the development of uses that might compromise their longer term potential as employment or industrial lands (with existing uses on that land being allowed to continue).

Direct knowledge-based employment sectors towards infill or redevelopment opportunities in the Town Centres

Recognizing that industrial and employment lands might accommodate some office uses (particularly accessory office tied to industrial, or perhaps office uses tied to more industrial-oriented professional activities e.g. engineers, surveyors, or companies that need an office but also a yard for their equipment/vehicles), it will be important to guide any knowledge-based employment sectors looking to invest in the Comox Valley to infill or redevelopment opportunities based out of the Comox Valley’s Town



Centres. Focusing those industries that can be based in a downtown core will help to leverage the more 'complete' identity of the Comox Valley's communities as employment nodes that will help to attract new businesses looking to provide amenities to support workers from those industries (e.g. restaurants, personal services, etc.). Knowledge based industries such as technology-oriented employment are one example of a sub-sector that should be directed at infill opportunities and vacant offices/storefronts in the Comox Valley's Town Centres.

Modify existing land use regulations to improve alignment between select market opportunities and employment or industrial land options

The employment and industrial land strategy outlined several misalignments between potential areas of economic opportunity for the Comox valley, and the ability of existing land use regulations to accommodate that type of investment. More specifically, the study outlined a misalignment in Comox and Cumberland related to the construction sector, and a misalignment in Cumberland related to outdoor storage or warehousing uses. Positioned within the context of the entire study, these are lower priority tactics and strategies to consider in the ability of Comox Valley to accommodate long term employment growth. However, several considerations could be made to existing land use regulations to slightly improve market readiness:

- Consider the development of sector-specific uses related to construction sector activity (e.g. industrial contractors and yards) for the addition to industrial zones in Comox and Cumberland
- Make provisions for the accommodation of outdoor storage or warehousing uses on industrial zoned lands in Cumberland – particularly those areas intended to develop with a more general industrial nature (as opposed to more prestige/enclosed)

The latter point is a slightly higher priority in the context of this study, as a number of likely areas of potential industrial growth in Comox Valley over the longer term would require some type of outdoor storage. Given that Cumberland is home to the majority of medium-term employment and industrial lands supply in the Comox Valley, and that it presently does not allow for these activities in its existing industrial zones, the addition of these uses likely represents a regional investment competitiveness factor. However, the addition of these uses should continue to be managed within the context of the development permit policies and regulations, to ensure development remains consistent with the intent of the municipality for the area.



4 Foreign Direct Investment Strategy

4.1 FDI Context

The International Monetary Fund defines foreign direct investment (FDI) as “an investment that allows an investor to have a significant voice [which usually means ownership of 10% or more] in the management of an enterprise operating outside the investor’s own country.”³⁹ This can involve many things, including creating an entirely new enterprise, changing the ownership of existing enterprises (via mergers and acquisitions), and other types of financial transactions between related enterprises (i.e. reinvesting the earnings of the enterprise). FDI generally involves investments in productive assets, with example including a Canadian company setting up a joint venture to develop a mineral deposit in Chile, or a Chinese company taking a majority stake in a company in Canada. It is worth noting that purchases of land and real estate by foreign entities is not considered FDI.

Due to the challenges associated with compiling FDI data by province, data that measures total FDI flows by province in Canada is not readily available.⁴⁰ While that may be true, the proxy indicator of “Greenfield FDI” (representing investment that expands an existing facility or creates a new facility) can be used to shed light on how successful each province has been in attracting FDI.

As a country, Canada has become a relatively less attractive destination for FDI, falling from an “A” grade in the 1970s to a “B” grade in the 1980s and finally a “D” grade in the 1990s and to the present decade. These grades are based on Canada’s share of global inward FDI relative to its share of global GDP. So while Canada’s inward flows of FDI have increased since 2005 (as seen in Figure 37), Canada’s relative share of FDI adjusted for its total economy has not improved.

³⁹ The Conference Board of Canada, “How Canada Performs: Provincial and Territorial Ranking”, <http://www.conferenceboard.ca/hcp/provincial/economy/inward-fdi.aspx>

⁴⁰ Based on the fact that FDI statistics are enterprise-based and are difficult to break down by region. For example, investments in a province via a legal entity or holding company may not reflect the final destination of the investment flow.



FIGURE 37: FOREIGN DIRECT INVESTMENT FLOWS IN CANADA, INWARD AND OUTWARD

Financial flows

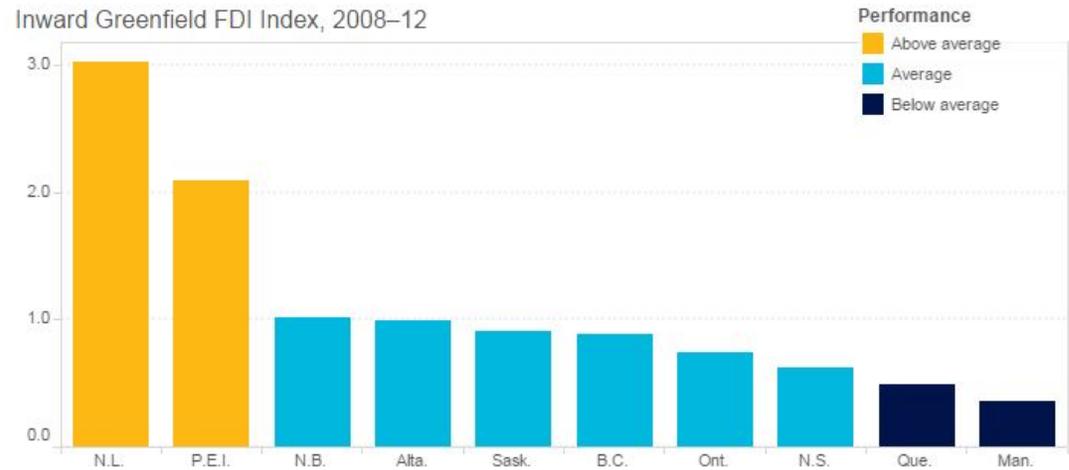
<i>(millions of US\$ unless otherwise specified)</i>	2005	2010	2013	2014
Foreign Direct Investment flows, inward	25 691.56	28 400.44	70 565.16	53 864.03
Foreign Direct Investment flows, outward	27 538.46	34 722.76	50 536.03	52 620.02

Source: UNCTAD Stats, United Nations Conference on Trade and Development, “General Profile: Canada”, <http://unctadstat.unctad.org/CountryProfile/124/en124GeneralProfile.html>

These decreases in Canada’s attractiveness as a destination for investment are attributed to three main factors:

- **Access to markets** - the Canadian market is relatively small and the North American Free Trade Agreement has not attracted the predicted investments to Canada due to investment opportunities in other more attractive high growth countries
- **Access to resources** – While Canada’s natural resources are attractive to foreign investors, those resources can be more costly to find and harvest than elsewhere
- **Opportunities to gain operational efficiencies** – Canada is considered to have low productivity as a result of its lower capital intensity and a lack of sufficient investment in research and development and other areas that would foster innovation

FIGURE 38: INWARD GREENFIELD FDI INDEX, PROVINCES OF CANADA, 2008-2012



Sources: fDI Markets, The Conference Board of Canada.

Source: The Conference Board of Canada, “How Canada Performs: Provincial and Territorial Ranking”, <http://www.conferenceboard.ca/hcp/provincial/economy/inward-fdi.aspx>



In terms of the performance of the provinces in attracting inward greenfield FDI, Newfoundland and Labrador and Prince Edward Island were the top performers in Canada from 2008 to 2012 (as seen in Figure 38).⁴¹ The province of British Columbia registered as an average performer in attracting inward greenfield investment but received a grade of “C” indicating that it attracts slightly less investment than would be expected for an economy of its size.

4.1.1 FDI in the Comox Valley

The development of an FDI Strategy for the Comox Valley is crucial to the successful economic development future of the region. To date, the Comox Valley has engaged in limited FDI activities.

The following FDI Strategy is designed to help identify investment opportunities within priority sectors of the Comox Valley and tie those opportunities to robust action plans. The FDI Strategy will help the Comox Valley increase community capacity to effectively target companies, partner with and leverage existing FDI opportunities, and participate with regional, provincial and national actors to better promote the region to foreign investors. The Strategy will also help create a common understanding of FDI and the role it plays within the Comox Valley and its communities.

4.2 FDI Marketing Approaches

In general terms, a “marketing strategy” is the particular vision or expression of strategic direction that serves to underpin a firm or an organization’s efforts to maintain and expand market share. In the economic development context, it is usually applied to the notion of external communications, advertising and promotion focused on increasing a community or region’s “market share” of new investment. However, these basic understandings do not adequately address the significant variation in theory and approach that characterize a range of significantly different tools that all fall under the “marketing strategy” label.

Most approaches to marketing strategy have been developed in the context of the private sector, where typical strategy structures include:

- Market Dominance Strategies, which focus on a company’s position as a leader, challenger, follower or niche actor

⁴¹ Largely due to the natural resource-based economies, especially in Newfoundland and Labrador



- Innovation Strategies, which focus on a firm's relative ability to alter market conditions through new technologies, products, techniques or services
- Growth Strategies, which seek to define opportunities for market expansion related to choices between horizontal integration, vertical integration, diversification and intensification

To a significant extent, these models are only weakly connected to the strategic marketing needs of public and not-for-profit players in the economic development space. In part, this reflects traditional marketing's focus on what is known as the "four P's", a term first coined in 1960 by E. Jerome McCarthy of Michigan State University. He suggested that traditional marketing approaches were built around "product", but that effective marketing strategies should be based on any one of (or any combination of) four key elements:

- Product
- Price
- Place
- Promotion

By expanding beyond the "product" focus of the private sector, McCarthy laid the groundwork for marketing strategies within other spaces, including the economic development arena. While the four P's concept was simplistic, it provided a shorthand that allowed those interested in investment attraction to begin to think in tactical terms about marketing directions, a process that reached its culmination in 1980 with the publication of Michael Porter's seminal work, *Competitive Strategy: Techniques for Analysing Industries and Competitors*.

Porter's work has become a foundation piece for modern economic development, though often with only a limited understanding of its content. In the work, Porter suggests that marketing strategies may be focused in one of three directions:

- **Cost Leadership Strategy** (defined as a "broad" strategy) – building market share by creating the lowest cost option in the marketplace. In economic development terms, this approach emphasizes attraction factors such as low taxation, low land costs, low regulatory hurdles, etc.
- **Differentiation Strategy** (defined as a "broad" strategy) – building market share by de-emphasizing cost factors, and instead suggesting that potential customers/investors cannot access what they need from other sources or in other jurisdictions. In economic development terms, this approach emphasizes unique or near-unique resources and assets (access to required raw materials, for example) within a community that will dictate an investor's location decision in a global context.



- **Segmentation Strategy** (defined as a “narrow” strategy) – building market share by recognizing that the value proposition is neither lowest cost nor most unique, this approach emphasizes the targeting of specialized industry niches, and works through the development and maintenance of relationships, specialized knowledge and customized support structures.

In the case of the Comox Valley’s FDI attraction efforts, it is this latter approach that is most appropriate from a marketing strategy perspective. While competitively positioned in certain industries, the Comox Valley is not the lowest cost jurisdiction seeking investment in its target sectors. Similarly, while the Comox Valley region has assets to anchor investment from within its target sectors, it is not sufficiently “differentiated” from a range of other British Columbian or North American jurisdictions to suggest that firms “must” locate to the community. Instead, the Comox Valley needs to focus on a segmentation strategy.

Porter suggests that Cost Leadership and Differentiation strategies are “broad”, by which he means they market to large – often global – audiences and targets. Segmentation emphasizes a “narrow” and targeted focus, which makes them much more focused, tangible and practical. In essence, a segmentation approach aligns with the FDI priority sector identification process outlined in this report. While all investment is welcome, the Comox Valley’s FDI planning process has identified a select set of “niche” target sectors where the community is well-positioned to support and attract new investment and growth. To pursue these opportunities, CVEDS and its partners must intensively focus their efforts on these segmented targets, creating relationships, expertise, capacity, networks, support structures and a range of other specialized segment-serving initiatives and programs.

In this light, each of the identified niche target areas should be addressed through separate but similar streams of activity, building upon three key pillars:

- Linking local assets in the niche to support marketing efforts – relevant assets in the target sectors within the Comox Valley must be inventoried, and key players gathered in advisory structures that direct and support efforts on an ongoing basis
- Building and communicating specialized knowledge of the segment – the Comox Valley must develop specialized marketing materials speaking to needs and opportunities within each of its key target sectors, and make these available through dedicated (possibly standalone) aspects of its web presence, with summary materials in print form for supporting direct contact in the market
- Relationship building within the segment – to underline the direct interest and connection to the segment, CVEDS and its partners must develop direct links and contacts to the target industries in their own spaces and at their own events, and work diligently maintain that contact over time

The following section looks at these target industry niches in greater detail.



4.3 FDI Priority Sector Profiles

Based on the findings that emerged from the employment lands analysis, five priority sectors have been identified that offer good growth and investment potential in the Comox Valley. These priority sectors are:

- Aquaculture and Fishing
- Agriculture
- Tourism
- Professional Services and Technology
- Primary and Secondary Manufacturing

Detailed sector profiles are presented in this section outlining the context, regional composition, and opportunities for the Comox Valley to consider for each of these sectors.

4.3.1 Aquaculture and Fishing

Aquaculture

As defined by Statistics Canada, the aquaculture sector is comprised of “establishments primarily engaged in farm-raising aquatic animals and plants...[including] integrated growing operations such as aquaponics. These activities can occur both in natural waters and in artificial aquatic impoundments and include the use of some form of intervention in the rearing or growing process to enhance production.”⁴²

Examples of the types of activities included in the aquaculture sector are:

- Algae and seaweed farming
- Finfish hatcheries
- Fingerlings raised in freshwater or salt water
- Frog farm raising
- Shellfish farming

⁴² Statistics Canada, “North American Industry Classification System (NAICS) Canada 2012”, <http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=118464&CVD=118471&CPV=112510&CST=01012012&CLV=5&MLV=5>



Fishing

As defined by Statistics Canada, the fishing industry is composed of “establishments primarily engaged in the commercial catching or taking of finfish, shellfish, and other aquatic animals from their natural habitats.”⁴³

4.3.1.1 Global, National, and Provincial Context

The global demand for seafood is rising at the rapid rate of 7% to 9% each year.⁴⁴ This increase has been attributed largely to the need to feed a growing global population that is becoming wealthier⁴⁵ and has resulted in a declining population of wild seafood stocks. The World Bank has forecasted a 36% growth of total global fish consumption (of all fish types) from 2008 to 2030, resulting in an increase of consumption of 40 million more tons of fish each year.⁴⁶ More than half of this increase in global consumption is projected to occur in China (+22.1 million tons), with Southeast Asia (+4.7 million tons), other South Asia (+4.4 million tons), India (+4.2 million tons), and North America (+2.5 million tons) showing strong projected growth.⁴⁷ Areas such as Latin America and the Caribbean, Japan, other East Asia and the Pacific, and Europe and Central Asia are projected to see flat or declining markets.⁴⁸

In order to meet this growing demand, aquaculture is projected to play an ever increasing role in global food systems. Roughly half of the seafood sold worldwide is currently farmed using aquaculture techniques.⁴⁹ That share is projected to increase by 98% (3.2% per year) by 2030.⁵⁰ At the same time, consumption of wild fish is projected to fall by 10% by 2030 due to declining wild stocks. This gap in consumption left from declining wild fish populations is projected to be filled by aquaculture.

Aquaculture also plays an important role in the national and provincial economies of Canada. In 2014, sales of aquaculture products and services amounted to \$735.4 million.⁵¹ The Canadian aquaculture sector is a \$2.75 billion industry, employing

⁴³ Statistics Canada, “North American Industry Classification System (NAICS) Canada 2012”, <http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=118464&CVD=118467&CPV=1141&CST=01012012&CLV=3&MLV=5>

⁴⁴ Canadian Aquaculture Industry Alliance, “Canadian Aquaculture Industry: Jobs, Growth and Economic Opportunity for Canada”, Global Growth Strategies for BC Seafood, Aquaculture & Agri-food Products, June 19, 2014

⁴⁵ Vann Struth Consulting, “Aquaculture Statistics for Comox Valley & BC”, February 2015, <http://www.investcomoxvalley.com/businessresources/statisticsandreports.htm>

⁴⁶ Ibid

⁴⁷ Ibid

⁴⁸ Ibid

⁴⁹ Ibid, Canadian Aquaculture Industry Alliance

⁵⁰ Ibid, Vann Struth Consulting

⁵¹ Statistics Canada, Agriculture Division, Commodities Section, “Aquaculture Statistics 2014”, Catalogue no. 23-222-X



14,100 workers, and representing one third of the total value of Canada's fisheries production.⁵² The majority of the aquaculture industry in Canada is focused on producing finfish (i.e. salmon, trout, etc.), accounting for roughly 88% of sales of aquaculture products and services in 2014.⁵³ Taken altogether, demand for current Canadian aquaculture products and services far exceeds the current supply.⁵⁴

Despite the high growth performance and projections in global aquaculture, aquaculture production in Canada has experienced 12 years of stagnated growth that has resulted in a 47% loss in global market share since 2002.⁵⁵ As a result, with more than \$500 million in recent investments having been made in the sector worldwide, less than 7% of that new investment has come to Canada.⁵⁶

Much of the criticism around Canada's relative un-competitiveness and restricted growth in the sector is based on:⁵⁷

- Issues with Canada's regulatory system being overly complex, uncertain, and confusing
- Federal and provincial overlap and duplication
- A patchwork of outdated statutes created to guide a wild fishery that are not necessarily appropriate for the aquaculture industry

The aquaculture industry in British Columbia accounted for 60% of the total landed value of B.C. seafood in 2011, with finfish (salmon farming in particular) making up the vast majority of aquaculture value (as seen in Figure 39).⁵⁸ Aquaculture has grown so much in B.C. that salmon farming has become the province's largest agricultural export.⁵⁹ B.C. is far and away the leading province in Canada for the farming of finfish (both by volume and by value), and ranks second behind Prince Edward Island for the farming of shellfish (both by volume and by value). Shellfish aquaculture is especially important in the Comox Valley, where there are roughly 16 times more aquaculture workers compared with the province of B.C. and the majority of those workers are

⁵² Ibid, Canadian Aquaculture Industry Alliance

⁵³ Ibid, Statistics Canada, Agriculture Division, Commodities Section

⁵⁴ Ibid, Canadian Aquaculture Industry Alliance

⁵⁵ Ibid

⁵⁶ Ibid

⁵⁷ Ibid

⁵⁸ B.C Chamber of Commerce, "Aquaculture in B.C.", <http://www.bcchamber.org/policies/aquaculture-bc>

⁵⁹ Ibid, Canadian Aquaculture Industry Alliance



in shellfish aquaculture.⁶⁰ Baynes Sound (located in the coastal waters of CVRD) represents the most important shellfish farming area in B.C., producing over half of the province's shellfish farm gate value.⁶¹

FIGURE 39: AQUACULTURE PRODUCTION AND VALUE BY SELECT PROVINCE AND CANADA, 2014

Production (tonnes)	Newfoundland & Labrador	PEI	Nova Scotia	New Brunswick	Quebec	Ontario	British Columbia	Canada
Total finfish	5,980	x	7,102	17,184	1,144	4,210	56,276	93,656
Total shellfish	3,260	23,590	1,641	893	416	-	10,127	39,927
Total aquaculture	9,240	23,590	8,743	18,077	1,560	4,210	66,403	133,583
Value (000's of dollars)								
Total finfish	42,446	3,410	56,063	117,744	9,423	21,800	389,813	649,942
Total shellfish	11,640	37,830	4,295	6,483	1,052	-	22,128	83,428
Total aquaculture	54,086	41,240	60,358	124,227	10,475	21,800	411,941	733,370

Source: Statistics Canada, Agriculture Division, Commodities Section, "Aquaculture Statistics 2014", Catalogue no. 23-222-X, pg. 14, adapted by MDB Insight

Note: "x" denotes data that has been suppressed to meet the confidentiality requirements of the *Statistics Act*

Exports of B.C. fish and seafood products were \$911 million in 2011, down 4.8% from the previous year.⁶² Roughly 57% of those exports were to the United States, with Japan, China, Russia, and South Korea also playing prominent roles. Export levels to South Korea and China in particular have grown tremendously between the years 2000 and 2011 with export levels seven and four times greater to each country respectively. Much of the product being exported is fresh and chilled finfish (49% of total exports), representing a change from historical export preferences for processed and frozen finfish. These findings are particularly interesting given the fact that most aquaculture raised fish is marketed and sold fresh and chilled rather than processed or frozen.⁶³

⁶⁰ Ibid, Vann Struth Consulting

⁶¹ Centre for Shellfish Research, Deep Bay Field Station, Vancouver Island University, "Industry Background", <https://www2.viu.ca/csr/industry/industrybackground.asp>

⁶² BC Stats, "British Columbia's Fisheries and Aquaculture Section, 2012 Edition", Section 11 – International Trade in Fish & Seafood Products

⁶³ Ibid, Canadian Aquaculture Industry Alliance



4.3.1.2 Regional Sector Composition

Given the importance of aquaculture (shellfish aquaculture in particular) to the economy of CVRD, it is not surprising to find that there is a high concentration of businesses working in the aquaculture, fishing, or seafood product preparation and packing industries in CVRD relative to the province of B.C. (as seen in the location quotient analysis in Figure 40). In the case of aquaculture in particular, CVRD exhibits very high business concentrations with 16 businesses working in the sector (with a location quotient of 17.76).

Employment in these sectors is also prominent, with 340 people employed in the aquaculture sector, 165 people employed in the fishing sector, and 30 people employed in the seafood product preparation and packaging sector (in 2011).⁶⁴ Workers in these industries are for the most part working as employees, with workers in the fishing industry being the exception with roughly half working for themselves in self-employed businesses.

FIGURE 40: LOCATION QUOTIENTS AND BUSINESS PATTERN FOR CVRD IN SELECT AQUACULTURE AND FISHING INDUSTRIES

Industry (NAICS)		Comox Valley (vs. B.C.)		Comox Valley Business Patterns			
		2014 LQ	Classification	2014	2013	2008	2013-2008 % Change
1125	Aquaculture	17.76	High	16	15	18	-17%
1141	Fishing	6.54	High	24	23	23	0%
3117	Seafood product preparation and packaging	2.81	High	3	4	5	-20%

Source: Statistics Canada, Business Patterns, 2014, 2013, 2008, adapted by MDB Insight

Note: Due to changes in Statistics Canada methodology, 2014 data cannot be directly compared with previous years

4.3.1.3 Key Opportunities

With global demand for seafood projected to increase substantially over the coming decades, there are very real opportunities for the Comox Valley to capitalize on an already strong local base of aquaculture, fishing, and seafood product preparation and packaging. Much of this opportunity will likely come from the region's aquaculture operations as wild fish stocks continue to decline and due to the fact that a more limited number of businesses can participate in the wild harvest due to the need to access a restricted number of government licences.

⁶⁴ Statistics Canada, National Household Survey (NHS) Profile, 2011 National Household Survey, Statistics Canada Catalogue no. 99-004-XWE



As far as aquaculture is concerned, there is an increasing opportunity for both finfish and shellfish production and the export of these products to Asian markets. The newer preferences in these markets for fresh or chilled products lends itself more easily to aquaculture operations that have the advantage of being able to take their catch directly from the water and package it for shipping in the same day (compared with commercial fisheries that may be at sea for multiple days before being able to package and ship their harvest).

Strong demand from Asian markets for certain higher value seafood items (such as geoduck, pronounced “goey duck”) are also important opportunities for the Comox Valley aquaculture operations to consider. These luxury seafood items are seen as a big driver for the growing middle class in China and Hong Kong in particular. In the case of geoduck, an average clam weighs about 2 pounds and can be sold for upwards of \$100 USD per pound in overseas markets. The geoduck is mostly located in the inland waters of British Columbia, Washington State, and Alaska, with 90% of world geoduck aquaculture based in Washington State. The production of geoducks, however, takes roughly five to seven years to grow them from seed to market and requires a lot of specialized equipment. As a result, geoduck aquaculture in the Comox Valley will likely be most appealing to already operating aquaculture operations that are looking to expand their operations and that can take on the time and cost commitments to harvest geoducks.⁶⁵

Further opportunities for aquaculture in the Comox Valley relate to creating innovative new partnerships between aquaculture firms and the private sector that could focus on the cultivation of sea plants (such as seaweed) linked to the development of new industries such as nutraceuticals and food additives, and the development of inland aquaculture facilities that are based on “game changing” innovations to recirculate and clean saltwater at an acceptable quality for use in producing saltwater marine species inland.

As mentioned above, the opportunities in the commercial wild fishery in the Comox Valley are likely quite limited due to limitations on the total available stock to harvest. As a result, opportunities in the fishing sector are likely to come in areas that improve the access to markets for wild harvested fish, enhance product values, and improve operational efficiency. Examples of these types of opportunities include:

- The use of sorting machines, freezing equipment, and other automated processing methods
- Technologies that enhance traceability for various seafood products
- Large technological innovations built right on board fishing vessels that expand the market reach of products and improve logistics (e.g. “factory freezer” boats that allow seafood to be processed immediately after being caught on the vessel)

⁶⁵ The Seattle Times, “Geoduck farming takes off as demand for clams grows in Asia”, <http://www.seattletimes.com/seattle-news/geoduck-farming-takes-off-as-demand-for-clams-grows-in-asia/>, May 16, 2015



4.3.2 Agriculture

As defined by Statistics Canada, the agriculture sector is comprised of “establishments primarily engaged in growing crops, raising animals, harvesting timber, harvesting fish and other animals from their natural habitats and providing related support activities.”⁶⁶

Examples of the types of activities included in the agriculture sector as it relates to Comox Valley are:

- Crop production
- Animal production
- Support activities for agriculture and forestry

4.3.2.1 Global, National, and Provincial Context

In a January 2015 report by Valoral Advisors, it was identified that investment in the food and agriculture sector had the potential to be an emerging area for global growth. Despite the fact that lower global economic growth and an ease in food prices had threatened the sector, there was still high demand by consumers to secure sustainable supplies of healthy food.⁶⁷ The report looked at the recent volatility seen in the global financial market and the hard reality that stocks and bonds still look expensive has shifted the behavior of investors towards the food and agriculture space. Valoral Advisors found that there are currently 240 funds that are operating in the food and agriculture sector, compared to only 33 in 2005, and managed approximately \$45 billion in assets.⁶⁸ This provides communities in the Comox Valley an ability to gain a better understanding of how future investment in the local agriculture sector could impact the region.

In regards to sourcing investment in the agriculture sector since the 2008 Financial Crisis, pension funds in North America have begun to rethink their approach to investment portfolios. The low interest rates that have persisted since 2008 (and are expected to remain low for the near future) have caused pension funds to seek out new investment opportunities to increase portfolio diversification. This has led to the increased investment in the agriculture and foods sector as they are linked with the

⁶⁶ Statistics Canada, “North American Industry Classification System (NAICS) Canada 2012”, <http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=118464&CVD=118465&CPV=11&CST=01012012&CLV=1&MLV=5>

⁶⁷ Valoral Advisory, 2015 Global Food & Agriculture Investment Outlook: Institutional investors meet farmers, Issue 5, January 2015.

⁶⁸ Ibid



long-term theme of potential resource scarcity.⁶⁹ For example the following North American funds have made significant investments into the sector:

- Maine Public Employees Retirement System
- New Mexico Education Retirement Board
- University of Oregon
- Washington State Investment Board
- Alaska State Retirement Board
- Alberta Investment Management Company

Valoral Advisors have found that crop land and cattle land have so far been the major investment areas of institutional capital, however, investors are now looking into the potential of permanent crops such as fruits and nuts that grow on trees and vines that can deliver higher returns than row crops.

Canada has an international reputation for high food safety standards and British Columbia is well positioned with favourable locations for international shipping. This provides the sector with growth and investment opportunities in both new and existing markets.⁷⁰ This also bodes well for BC since it is considered one of the most agriculturally diverse provinces in Canada with over 200 agriculture products, the Okanagan Valley producing world-class wine, and the province's greenhouse growers being recognized world leaders in the use of integrated pest management and innovative greenhouse technologies.⁷¹

The province's location on Canada's west coast places it at the commercial crossroads of Asia-Pacific and North American trade. This provides export orientated businesses in B.C. with a direct competitive advantage with access to international markets with lower and shorter shipping times than competing suppliers. NAFTA also plays a pivotal role in enabling British Columbia to access southern markets as well in the United States and Mexico. Also, the strength of the province's agriculture sector rooted in fertile growing conditions, diverse climate, and geography,⁷² lends itself well for B.C. communities to seek out foreign export markets to facilitate continued growth in their agricultural sectors.

⁶⁹ Ibid

⁷⁰ Government of British Columbia, "Trade and Invest British Columbia, Agrifoods Industry Sector", <http://www.britishcolumbia.ca/invest/industry-sectors/agrifoods>

⁷¹ Growing Forward 2, *Agrifoods: Quality Diversity*.

⁷² Ibid, Government of British Columbia



4.3.2.2 Regional Sector Composition

As seen in Figure 41, CVRD has many important industries within the agriculture sector. The strengths of businesses involved in this industry are in:

- Support Activities for Animal Production (5.57) – directly tied to the breeding of farm animals and other support activities such as cattle dehorning and registration, farrieries, and horse boarding, shoeing, and training
- Hog and Pig Farming (3.03)
- Other Animal Production (2.39)
- Sheep and Goat Farming (2.32)
- Greenhouse, Nursery, and Floriculture Production (1.73)

Support activities for animal production have been a growth industry for CVRD since 2008 with an increase of 166.7% in the number of business with employees operating in the area. Other agriculture-based businesses that have also experienced significant growth between 2008 and 2014 include other crop farming (266.7%), greenhouse, nursery, and floriculture production (160.0%), and fruit and tree nut farming (120.0%).

FIGURE 41: COMOX VALLEY AGRICULTURE SECTOR COMPOSITION

Industry (NAICS)		Comox Valley vs B.C.		Comox Valley Business Patterns			
		2014 LQ	Classification	2014	2013	2008	2013-2008 %Change
1152	Support activities for animal production	5.57	High	7	8	3	166.7%
1122	Hog and pig farming	3.03	High	1	1	0	100.0%
1129	Other animal production	2.39	High	11	13	8	62.5%
1124	Sheep and goat farming	2.32	High	1	1	0	100.0%
1114	Greenhouse, nursery and floriculture production	1.73	High	11	13	5	160.0%
1119	Other crop farming	1.14	Average	8	11	3	266.7%
1121	Cattle ranching and farming	1.07	Average	10	13	15	-13.3%
1112	Vegetable and melon farming	1.01	Average	3	3	5	-40.0%
1151	Support activities for crop production	0.90	Average	2	1	1	0.0%
1113	Fruit and tree nut farming	0.76	Average	9	11	5	120.0%
1123	Poultry and egg production	0.41	Low	2	4	2	100.0%

Source: Statistics Canada, Canadian Business Patterns, 2008, 2013, & 2014



Note: Due to changes in Statistics Canada methodology, 2014 data cannot be directly compared with previous years

It is interesting to note that greenhouse, nursery, and floriculture production in particular had both a high location quotient and high business growth (in terms of absolute growth). This suggests a potential niche industry that the Comox Valley may be relatively well positioned to take advantage of and leverage for increased exports from the area. There has also been a large increase in the number of other crop farming businesses (which are involved in tobacco, peanuts, sugar beets, cotton, sugarcane, hay, agave, herbs and spices, mint, hops, and hay and grass seeds). Although CVRD does not have a high location quotient for this industry, its growth from 2008 to 2013 warrants further investigation. The growth of these and other specific agriculture industries could also play an important role in the continued development and growth of a regional food processing sector as well.

Although CVRD has a specialization in key agricultural industries in relation to the province, it does not have a significantly large workforce. In total, the agriculture sector in Comox Valley employs 560 people (not including aquaculture), which accounts for 1.9% of the total workforce.⁷³

The key occupations that comprise the agriculture sector are:

- 0821 Managers in agriculture (265)
- 8431 General farm workers (130)
- 0822 Managers in horticulture (45)
- 8255 Contractors and supervisors, landscaping, grounds maintenance and horticulture services (35)
- 8432 Nursery and greenhouse workers (45)

The development of a larger agriculture sector will be dependent on either increased workforce attraction or mechanization, both requiring an increase in the use of farmable lands. These developments will have an impact on the number of workers involved in the industry and the types of skills that will be necessary to support continued growth of the sector.

4.3.2.3 Key Opportunities

In Agriculture and Agri-Food Canada's "2015 Canadian Agricultural Outlook", it was identified that there has been growing strength in the cattle and hog industry due to record prices as a result of low North American supplies in 2014 and weakening

⁷³ Statistics Canada, National Household Survey (2011), NHS Data Table 99-012-X2011052, customized by MDB Insight.



feed grain prices.⁷⁴ This economic outlook bodes well for the Comox Valley's agriculture sector, which is comprised of a burgeoning hog and pig industry. With the continued industrialization of the meat industry, the Comox Valley could look to create a niche area with a focus on free-range, grass-fed, and hormone free animals. These business ventures, although more costly to operate, have higher price margins and cater to a target demographic that is looking to pay a premium for high quality and sustainable food.

As identified earlier, there is the potential to attract foreign direct investment into a variety of permanent crops, which is a shift away from row crops such as cotton, maize, soybeans, and sugar beets. The Comox Valley, with its Mediterranean like summers and mild winters should actively look to attract new investments to diversify its agriculture sector into higher priced products. This diversification would help support the growing local food movement in B.C. by reducing the number of agricultural products that need to be imported onto Vancouver Island and into the Comox Valley.

Another opportunity for the Comox Valley is to identify potential high value crops that could be used in the development of a local value-added food processing sector. There is an increasing practice in food-processing industries (such as microbreweries and micro distilleries) to increase product value by creating uniquely local products that cater to a more 'craft' and 'local' target demographic. The synergies that are available in the Comox Valley would contribute to the creation of sustainable and eco-friendly economy.

The recent election of a Liberal government that campaigned on the legalization of marijuana also has the potential to impact the development of both Canada's medical and potential recreational marijuana industries. The Comox Valley, due especially to its local climate, is well positioned to take advantage in any growth or development in British Columbia's or Canada's marijuana industries. For communities in the Comox Valley who are amenable to the prospect of using agricultural lands to grow marijuana, it is worth considering the various opportunities and development needs for potential investors in the sector.

The potential barrier, however, is the Comox Valley's transportation infrastructure and connection to other markets. Although relatively close to Victoria and Vancouver, there is difficulty in moving product off Vancouver Island. By focusing on higher value, low bulk agriculture products, such as botanicals for personal care products, berries, and organic farming could offset the region's challenge and provide a unique opportunity to leverage its relatively close proximity to global transportation hubs.

⁷⁴ Agriculture and Agri-Food Canada, *2015 Agricultural Outlook*, < <http://www.agr.gc.ca/eng/about-us/publications/economic-publications/alphabetical-listing/2015-canadian-agricultural-outlook/?id=1423751592650>>. Accessed Friday, December 11, 2015.



4.3.3 Tourism

The tourism sector is comprised of a number of different sectors that are engaged in a wide variety of activities, using services such as accommodation & food services, transportation, travel agents, tour operators, retailing, and cultural and recreational services.

Examples of the types of activities included in the tourism sector are:

- Transportation
- Air transportation
- All other transportation (includes rail, water, bus, taxi and vehicle rental)
- Accommodation
- Food and beverage services
- Recreation and entertainment
- Travel services
- Agri-tourism

4.3.3.1 Global, National, and Provincial Context

Tourism is a growing and increasingly important part of the global economy. In a recent UN World Tourism Organization (UNWTO) report, UNWTO found that tourism has experienced almost uninterrupted growth since 1950. In 1950, tourism receipts earned by destinations worldwide were US\$2 billion and by 2014 had grown to US\$1,245 billion. The UNWTO has also forecast that the global tourism market will increase by 3.3% per year and grow to 1.8 billion international tourists by 2030.⁷⁵

The World Economic Forum has identified that many countries and jurisdictions are becoming increasingly competitive in their attempt to grow their tourism economies because it provides a significant potential for economic growth and development.⁷⁶

The increased competition for global tourist dollars has challenged Canada's ability to take advantage of the growing number of international travellers. In 2014, North America accounted for two thirds of international travel in the Americas. However, this has largely been driven by Mexico as a tourist destination, which has experienced a 20% increase in arrivals whereas Canada

⁷⁵ UN World Tourism Organization, "Tourism Highlights 2015 Edition"

⁷⁶ World Economic Forum, "The Travel & Tourism Competitiveness Report: Managing in a Time of Turbulence", 2009.



has seen modest growth of 3% (in 2014).⁷⁷ With the recent decline in the value of the Canadian dollar, however, Canada is expected to become an increasingly attractive destination for foreign visitors.

In 2013, tourism accounted for \$84.3 billion or 4.5% of Canada's GDP.⁷⁸ According to the Tourism Industry Association of Canada, domestic travellers spent on average \$260 per trip, while international travellers spent \$1,547 per trip. Dependence on the domestic market, however, is a concern with the limited growth potential available from the country's relatively small population. For example, in 2012, 81% of Canada's tourism revenues came from the home market, leaving significant potential to expand sales to international travellers.⁷⁹ In a recent publication by the Library of Parliament, it found that Ontario, British Columbia, and Quebec were the top provinces for international visitors.⁸⁰ This provides the opportunity for province's like British Columbia, with its natural beauty, vibrant cities, and cultural attractions to grow the number of international tourists that it attracts.

Perhaps the greatest opportunity for attracting international tourists comes from both China and the United States. According to the UNWTO, China has been the fastest growing source market in recent years and has also been the world's top spender in international tourism since 2012.⁸¹ Chinese travellers spent a record US\$165 billion abroad in 2014, an increase of 27% over 2013. Canada, and more importantly British Columbia, is well positioned to take advantage of China's continued spending on tourism. The government of British Columbia identifies the province's key advantages lay in its accessibility to world travellers from around the world, but especially from Asia since China has added Canada to its list of approved travel destinations.⁸² The rise in Canada's popularity among Chinese travellers is also noteworthy as Canada is now China's third largest overseas tourist destination behind only France and the United Kingdom.⁸³

⁷⁷ Ibid, UN World Tourism Organization

⁷⁸ World Travel and Tourism Council, "Economic Impact Report 2014"

⁷⁹ Tourism Industry Association of Canada, "Annual Report 2013"

⁸⁰ Dillan Thechedath, "Canada's Tourism Economy", Parliamentary Information and Research Services, July 2014

⁸¹ Ibid, UN World Tourism Organization

⁸² Government of British Columbia, Trade and Invest, Tourism. <<http://www.britishcolumbia.ca/invest/industry-sectors/tourism/>>. Accessed December 14, 2015.

⁸³ Ibid, Dillan Thechedath



4.3.3.2 Regional Sector Composition

As seen in Figure 42, CVRD has important sectoral strengths within the tourism sector. The strengths of businesses involved in this industry are in:

- Urban transit systems (5.84)
- Recreational vehicle (RV) parks and recreational camps (2.51)
- Promoters of performing arts, sports, and similar events (2.49)
- Heritage institutions (2.48)
- Deep sea and coastal water transportation (2.46)
- Scenic and sightseeing transportation, water (2.44)
- Automotive equipment rental and leasing (2.09)
- Other transit and ground passenger transportation (1.41)
- Gambling industries (1.34)



FIGURE 42: COMOX VALLEY TOURISM SECTOR COMPOSITION

Industry (NAICS)		Comox Valley vs B.C.		Comox Valley Business Patterns			
		2014 LQ	Classification	2014	2013	2008	2013-2008 %Change
4851	Urban transit systems	5.84	High	2	2	2	0%
7212	Recreational vehicle (RV) parks and recreational camps	2.51	High	12	13	9	44%
7113	Promoters (presenters) of performing arts, sports and similar events	2.49	High	5	3	3	0%
7121	Heritage institutions	2.48	High	7	6	7	-14%
4831	Deep sea, coastal and Great Lakes water transportation	2.46	High	3	3	2	50%
4872	Scenic and sightseeing transportation, water	2.44	High	3	2	8	-75%
5321	Automotive equipment rental and leasing	2.09	High	9	7	6	17%
4859	Other transit and ground passenger transportation	1.41	High	1	1	2	-50%
7132	Gambling industries	1.34	High	3	4	4	0%
7224	Drinking places (alcoholic beverages)	1.08	Average	7	8	13	-38%
7139	Other amusement and recreation industries	1.05	Average	18	19	22	-14%
7112	Spectator sports	1.02	Average	1	2	0	-
7211	Traveller accommodation	1.00	Average	18	20	34	-41%
4811	Scheduled air transportation	0.95	Average	1	1	3	-67%
7111	Performing arts companies	0.94	Average	2	2	1	100%
7223	Special food services	0.90	Average	7	8	8	0%
4812	Non-scheduled air transportation	0.83	Average	2	2	2	0%
7225	Full-service restaurants and limited-service eating places	0.78	Average	92	98	97	1%
7115	Independent artists, writers and performers	0.67	Low	5	5	7	-29%
5615	Travel arrangement and reservation services	0.61	Low	7	6	11	-45%
5121	Motion picture and video industries	0.17	Low	2	2	2	0%
4853	Taxi and limousine service	0.11	Low	1	4	7	-43%

Source: Statistics Canada, Canadian Business Patterns, 2008, 2013, & 2014

Note: Due to changes in Statistics Canada methodology, 2014 data cannot be directly compared with previous years

It is important to note that between 2008 and 2013 there have been a number of industries that have experienced both significant growth and declines. High growth industries include:



- Performing arts companies (100%)
- Deep sea and coastal Lakes water transportation (50%)
- Recreational vehicle (RV) parks and recreational camps (44%)

What is more concerning, however, is the number of tourism-related industries that have experienced significant declines over the same time period.

- Heritage institutions (-14%)
- Scenic and sightseeing transportation, water (-75%)
- Other transit and ground passenger transportation (-50%)
- Drinking places (alcoholic beverages) (-38%)
- Other amusement and recreation industries (-14%)
- Traveller accommodation (-41%)
- Scheduled air transportation (-67%)
- Independent artists, writers and performers (-29%)
- Travel arrangement and reservation services (-45%)
- Taxi and limousine service (-43%)

The decline in key tourism-related industries such as heritage institutions and scenic and sightseeing water transportation should be seen as an area of concern as they have the potential to be regional sector strengths for CVRD.

In addition to specialization in key tourism industries in relation to the province, CVRD also has a significantly large workforce in the tourism sector. In total, the tourism sector in CVRD employs 3,265 people, which accounts for 11.2% of the total workforce.⁸⁴

The key industries that comprise the largest number of occupations in the tourism sector are:

- Full-service restaurants and limited-service eating places (1,325)
- Traveller accommodation (410)
- Other amusement and recreation industries (305)
- Deep sea and coastal water transportation (275)

⁸⁴ Statistics Canada, National Household Survey (2011), NHS Data Table 99-012-X2011052, customized by MDB Insight.



4.3.3.3 Key Opportunities

British Columbia can provide international tourists with world-class tourism products and experiences ranging from skiing, touring, golf, and hiking to niche experiences such as wine touring, heli-skiing, wildlife viewing, and heritage locations that often appeal to higher-spending tourists. In addition to these offerings are distinct opportunities in Aboriginal tourism that include cultural tourism that offers unique and rich experiences to tourists that are unavailable anywhere else.⁸⁵ The Comox Valley has the opportunity to leverage the benefits from both the infrastructure and advertising efforts which were created during the Vancouver 2010 Olympic Games. This could include investments in sports tourism, wildlife viewing, and heritage locations.

The Comox Valley's location on Vancouver Island and its connection to the natural and aquatic environment also create opportunities for investment in ecotourism initiatives. Ecotourism focuses on uniting conservation, communities, and sustainable travel and provides a greater opportunity for small-enterprise investment in the sector, which will lead to greater employment, and an economic incentive to preserve the natural environment.⁸⁶ This would also provide the added opportunity for communities to work with local Aboriginal communities to promote business development and provide opportunities for investment on Aboriginal lands.

It has also been reported that tourists coming to Canada are trending younger with the number of visitors under the age of 24 increasing by 24% between 2011 and 2012 and representing approximately one in five overseas visitors.⁸⁷ Understanding this young target market could provide the Comox Valley with the information it needs to create and cater tourism products to potential visitors. This holds especially true for Chinese tourists. In a recent report from the World Tourism Cities Federation, research found that 67.5% of Chinese tourists were born after 1980.⁸⁸ In order to support the future growth of the tourism sector in the Comox Valley, there should be a clear focus on the investment attraction that will cater to the specific types of tourists that the area is hoping to attract. Comox Valley should also look to evaluate its current tourism assets and how those might be leveraged to market to U.S. tourists who may have previously visited the province and who may be convinced to visit again with the Canadian dollar so low.

⁸⁵ Ibid, Government of British Columbia

⁸⁶ Stemming the Loss of Biological Diversity: An Assessment of USAID Support for Protected-Area Management, July 1995.

⁸⁷ Ibid, Dillan Thechedath

⁸⁸ World Tourism Cities Federation, Market Research Report on Chinese Outbound Tourist Consumption, August 2014.



4.3.4 Professional Services and Technology

As defined by Statistics Canada, the professional services and technology sector is comprised of “establishments primarily engaged in activities in which human capital is the major input. These establishments make available the knowledge and skills of their employees, often on an assignment basis. The individual industries of this subsector are defined on the basis of the particular expertise and training of the service provider.”⁸⁹

Examples of the types of activities included in the professional services and technology sector are:

- Legal services
- Accounting, tax preparation, bookkeeping and payroll services
- Architectural, engineering and related services
- Specialized design services
- Computer systems design and related services
- Management, scientific and technical consulting services
- Scientific research and development services
- Advertising, public relations, and related services
- Other professional, scientific and technical services

4.3.4.1 Global, National, and Provincial Context

Professional services and technology is a sector that is largely engaged in providing services where human capital is essential. The sector is founded on the knowledge and skills of the employees and is tightly related to legal services industries, accounting and related services industries, architectural, engineering and related services industries, surveying and mapping services industries, design services industries, management, scientific and technical consulting services industries, scientific research and development services industries, and advertising services industries. The distinguishing feature of this sector is the fact that most of the industries grouped in it have production processes that are almost wholly dependent on worker skills. In most of these industries, equipment and materials are not of major importance.⁹⁰

⁸⁹ Statistics Canada, “North American Industry Classification System (NAICS) Canada 2012”, <http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=118464&CVD=118466&CPV=541&CST=01012012&CLV=2&MLV=5>

⁹⁰ Industry Canada, Professional, Scientific and Technical Services (NAICS 54): Definition, < <https://www.ic.gc.ca/app/scr/sbms/sbb/cis/definition.html?code=54>>. Accessed on December 14, 2015.



FDI has been a prime driver in the internationalization of business. The global environment for FDI attraction and retention is intensely competitive. Internationally, the US remains the largest source country for FDI and also the most significant recipient of FDI. China's role has grown to the point that it is now the second largest FDI recipient. It has also become the third largest source country in 2012. When looking at the growth of both the national and provincial economies it has to be considered how best Canada and British Columbia can capitalize on foreign investment.

When looking at Canada's acquisition of FDI approximately three quarters of the overall increase in FDI into Canada in 2010 went to services-producing industries. Within services, information and culture, which was seen an attractive sector to foreign investors in 2010, the stock of investment in this sector jumped 20.5% (\$2.2 billion). The only service producing-industry to experience a decline was professional, scientific, and technical services which posted a decline of 9.1% at \$1.1 billion.⁹¹ Since 2011, however, the professional services and technology sector has rebounded. Between 2011 and 2012 foreign direct investment in Canada's professional, scientific, and technical services sector increased by 15.2% from \$9.0 billion in 2011 to \$10.4 in 2012.⁹²

There is continued interest by foreign investors in Canada's professional services and technology sector. However, there needs to be more attention paid to how British Columbia and the Comox Valley can leverage this continued foreign investment in order to grow the local sectors of the economy. In 2014 the Government of British Columbia acknowledged the need to attract foreign investment and venture capital as a means of supporting innovation, creating jobs, and diversifying the economy that will help the province remain globally competitive.⁹³

4.3.4.2 Regional Sector Composition

As seen in Figure 43, CVRD has average concentrations within the professional services and technology sector. This gap in specialization highlights the need for CVRD to determine what barriers might be preventing it from leveraging this sector and to find solutions that will provide the region with the potential to be more successful in this economic development sector.

⁹¹ Global Affairs Canada, Canada's State of Trade: Trade and Investment Updates 2011. < http://www.international.gc.ca/economist-economiste/performance/state-point/state_2011_point/2011_6.aspx?lang=eng>. Accessed December 14, 2015.

⁹² Ibid

⁹³ Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism, *2013/2014 Annual Service Plan Report*, < http://www.bcbudget.gov.bc.ca/Annual_Reports/2013_2014/pdf/ministry/mit.pdf>. Accessed December 14, 2015.



FIGURE 43: COMOX VALLEY PROFESSIONAL SERVICES AND TECHNOLOGY SECTOR COMPOSITION

Industry (NAICS)		Comox Valley vs B.C.		Comox Valley Business Patterns			
		2014 LQ	Classification	2014	2013	2008	2013-2008 %Change
5112	Other professional, scientific and technical services	1.10	Average	27	24	19	26.3%
5182	Architectural, engineering and related services	1.07	Average	45	50	49	2.0%
5411	Scientific research and development services	1.07	Average	7	5	8	-37.5%
5412	Accounting, tax preparation, bookkeeping and payroll services	0.90	Average	35	30	41	-26.8%
5413	Legal services	0.83	Average	36	38	39	-2.6%
5414	Management, scientific and technical consulting services	0.82	Average	43	47	35	34.3%
5415	Computer systems design and related services	0.55	Low	21	26	26	0.0%
5416	Specialized design services	0.51	Low	5	8	5	60.0%
5417	Software publishers	0.25	Low	1	0	0	-
5418	Advertising, public relations, and related services	0.22	Low	2	2	0	100.0%
5419	Data processing, hosting, and related services	0.00	-	0	1	0	100%

Source: Statistics Canada, Canadian Business Patterns, 2008, 2013, & 2014

Note: Due to changes in Statistics Canada methodology, 2014 data cannot be directly compared with previous years

The relatively close proximity of the Comox Valley to Vancouver and Victoria provides the region with the opportunity to leverage its higher quality of life to highly skilled professionals that have the capability to work remotely. The advent of remote offices centres can also be leveraged by the Comox Valley to help develop city centres and attract employment of high skill and high wage workers such as architectural, engineering, and related firms and management, scientific, and technical design consulting services.

Between 2008 and 2013 there has been specific industry growth within the sector. Currently, the industries which have experienced the most significant business growth are:

- Management, scientific and technical consulting services (34.3%)
- Specialized design services (60.0%)
- Other professional, scientific and technical services (26.3%)



Although Comox Valley lacks a specialization in key professional services and technology industries in relation to the province, the sector employs 1,440 people, which accounts for 4.9% of the total workforce.⁹⁴ This provides the Comox Valley with the opportunity to actively recruit the businesses and skilled workforce that it needs to grow and leverage this sector as a potential area for future foreign direct investment.

4.3.4.3 Key Opportunities

According to the Conference Board of Canada, many industries in the professional services and technology sector have rebounded quicker and stronger since the recession than that of overall employment. At the same time this sector tends to have weekly wages that pay 34% more than the national average.⁹⁵ This sector has the potential to create a new type of middle class that can support the continued growth of more rural and remote communities in the Comox Valley. However, the region's inability to create a strong regional sector focussed on the professional and technologies industries is an area of concern.

The Comox Valley's professional services and technology sector is currently in the development phase. Pursuing direct investment to support the sector has the potential to promote the restructuring of the industry at a regional level and to increase levels of specialization. The Comox Valley's proximity to Vancouver, Victoria, and the United States allows the region to leverage the region's other strengths to grow the sector. This includes the lower costs of living and the quality of life that the Comox Valley offers, which are often highly attractive to talent in the professional and technology sector. Another consideration should be the region's ability to leverage technological advancements that promote and support remote workplaces and take advantage of the sector's strengths when it concerns human capital.

4.3.5 Primary and Secondary Manufacturing

As defined by Statistics Canada, the manufacturing sector is comprised of "establishments primarily engaged in the chemical, mechanical or physical transformation of materials or substances into new products. These products may be finished, in the

⁹⁴ Statistics Canada, National Household Survey (2011), NHS Data Table 99-012-X2011052, customized by MDB Insight.

⁹⁵ The Conference Board of Canada, "The Professional, Scientific, and Technical Services Industry", http://www.conferenceboard.ca/economics/hot_eco_topics/default/13-07-09/the_professional_scientific_and_technical_services_industry.aspx



sense that they are ready to be used or consumed, or semi-finished, in the sense of becoming a raw material for an establishment to use in further manufacturing.”⁹⁶

Examples of the types of activities include in the primary and secondary manufacturing sector are:

- Beverage and tobacco product manufacturing
- Textile mills
- Textile product mills
- Clothing manufacturing
- Leather and allied product manufacturing
- Wood product manufacturing
- Paper manufacturing
- Printing and related support activities
- Petroleum and coal product manufacturing
- Chemical manufacturing
- Plastics and rubber products manufacturing
- Non-metallic mineral product manufacturing
- Primary metal manufacturing
- Fabricated metal product manufacturing
- Machinery manufacturing
- Computer & electronic product manufacturing
- Electrical equipment, appliance and component manufacturing
- Transportation equipment manufacturing
- Furniture and related product manufacturing
- Miscellaneous manufacturing

4.3.5.1 Global, National, and Provincial Context

In their “World Investment Report 2015”, the United Nations Conference on Trade and Development (UNCTD) provided an in-depth analysis of the number of new and announced global greenfield foreign direct investment projects by sector and industry from 2004-2014. In that report, a number of primary and secondary manufacturing industry sectors were identified, including food and beverage processing, wood/lumber production and support, fabricated metals, and machinery manufacturing. According to UNCTD⁹⁷, these industry sectors saw over \$74 billion in Foreign Direct Investment. Overall, these sectors saw an increase of over 8% globally over the course of last year, which saw over \$68 billion invested in these target sectors (as seen in Figure 44). Since the 2008 global recession, FDI in these targeted sectors has seen a gradually return to pre-2009 values where wood and wood products, and metals and metal products have seen sluggish performance.

The top sources for global foreign direct investment in these sectors include:

- United States
- China
- Germany

⁹⁶ Statistics Canada, “North American Industry Classification System (NAICS) Canada 2012”, <http://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=118464&CVD=118465&CPV=31-33&CST=01012012&CLV=1&MLV=5>

⁹⁷ UNCTAD, based on information from the Financial Times Ltd, fDi Markets



- Japan
- France
- United Kingdom

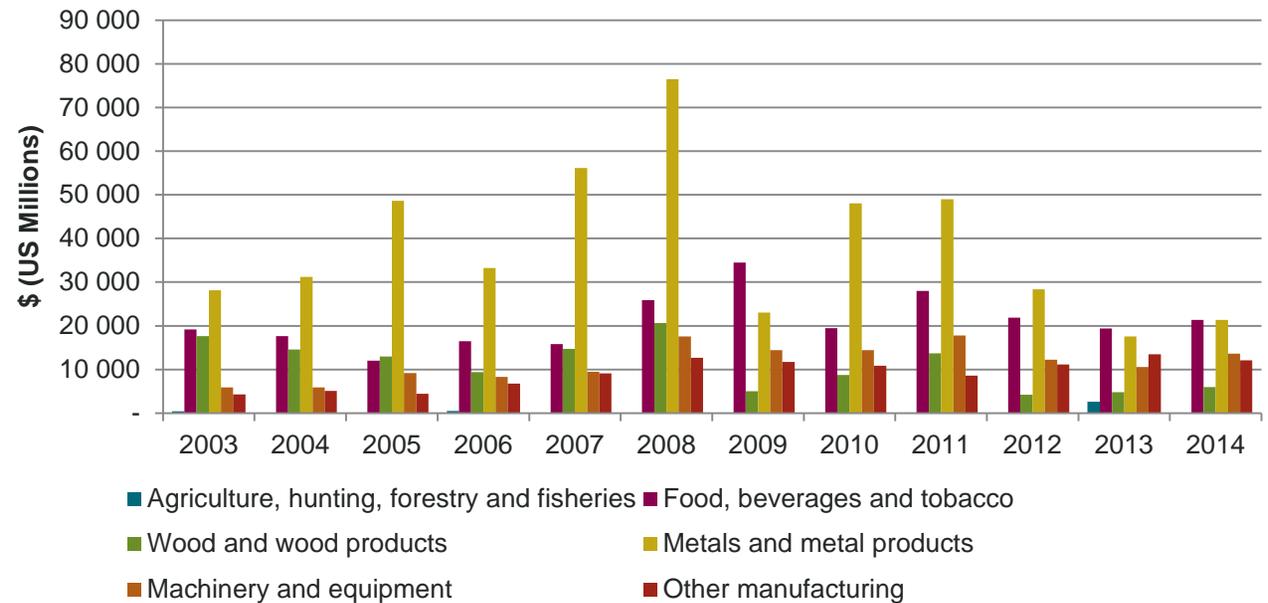
The top destinations for global foreign direct investment in these sectors include:

- United States
- United Kingdom
- China
- Mexico
- India
- Vietnam

According to Global Affairs Canada and Statistics Canada, these targeted manufacturing sectors attracted just over \$43 billion in foreign direct investment in 2014.⁹⁸ Since 2010, these sectors have seen an increase of close to 60% in the amount of attracted foreign investment for these sectors. As Figure 45 illustrates, these gains are mainly due to the food manufacturing sector which has seen a 73% increase of FDI over the same time period from \$14 billion to almost \$25 billion. While the beverage and tobacco product manufacturing has seen slight growth from 2010-2014, the other three industry sectors have seen little to no growth in FDI over the same time period in Canada.

The top sources of 2014 foreign direct investment in Canada include:

FIGURE 44: VALUE OF ANNOUNCED GLOBAL GREENFIELD FDI PROJECTS, BY SECTOR/INDUSTRY, 2003-2014



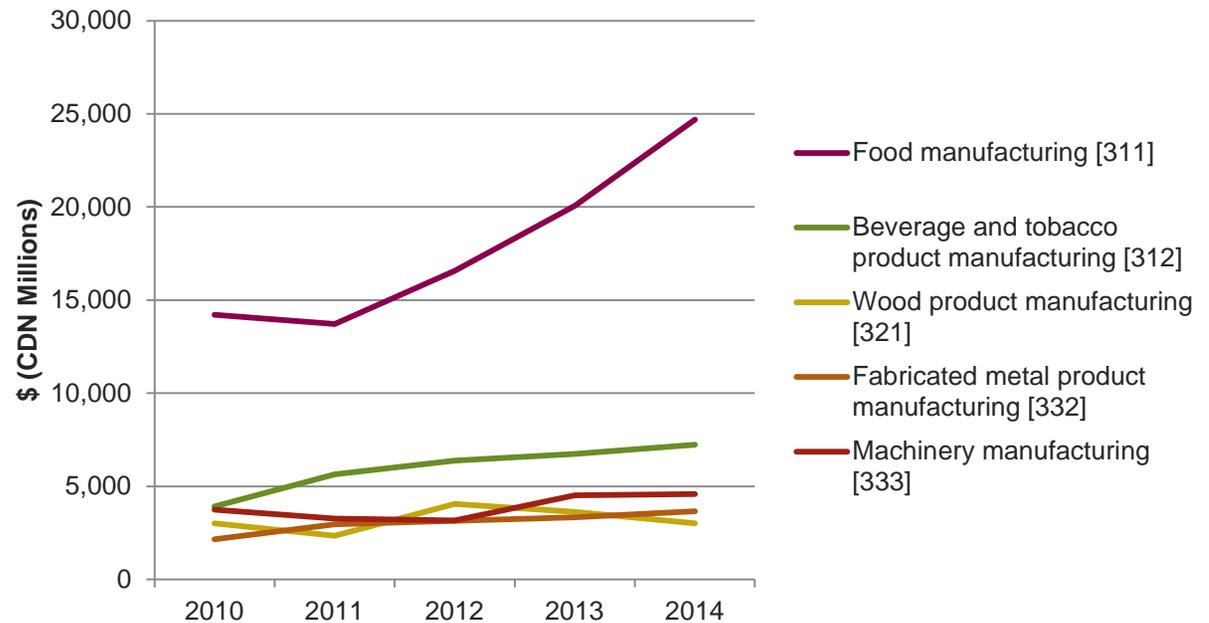
Source: UNCTAD, based on information from the Financial Times Ltd, fDi Markets

⁹⁸ Global Affairs Canada & Statistics Canada, CANSIM 376-0052



- Food Manufacturing
 - Europe (\$15.4 Billion)
 - United States (\$7.9 Billion)
- Wood Product Manufacturing
 - United States (\$1.6 Billion)
 - Europe (\$568 Million)
- Fabricated metal product manufacturing
 - United States (\$2.4 Billion)
- Machinery Manufacturing
 - United States (\$2.3 Billion)

FIGURE 45: GLOBAL FOREIGN DIRECT INVESTMENT IN CANADA BY INDUSTRY (NAICS), 2010-2014



Source: Global Affairs Canada & Statistics Canada, CANSIM 376-0052

Due to the challenges associated with compiling FDI data by province, data that measures total FDI flows by province in Canada is not readily available. Although FDI data for provinces by industry sector is not readily available, the Ministry of International Trade and Responsible for Asia Pacific Strategy and Multiculturalism provides performance measures on the total value of foreign direct investment facilitated by ministry programs. Between 2013 and 2014, the Ministry was able to facilitate close to \$2.5 billion in foreign direct investment into the province, which was down from \$4.3 billion between 2012 and 2013. Although this includes all sector industries in British Columbia, it provides a snapshot of the amount of FDI the province is attracting on a yearly basis.



The majority of food and beverage manufacturing operations in B.C. are located in the Lower Mainland-Southwest region of the province (57%). The remainder are located in the Thompson-Okanagan (18%), Vancouver Island and Coast (18%), Kootenay (3%), Cariboo (2%), North Coast (1%) and Nechako (1%). More than 90 per cent of these operations had fewer than 100 employees in 2013.

This structure provides the industry with operational flexibility and the ability to satisfy consumers' diverse tastes and preferences. Most processors are strategically located in close proximity to B.C.'s highly integrated transportation system, making it easy to access ingredients and ship finished goods. The province's location on Canada's west coast places it at the commercial crossroads of the Asia-Pacific and North American Trade. This provides export orientated businesses with a direct competitive advantage with access to international markets with lower and shorter shipping times than competing suppliers. Alongside NAFTA, newly signed trading agreements such as the Trans-Pacific Partnership and CETA, will enable B.C. direct access to international markets that are right on their doorstep.

4.3.5.2 Regional Sector Composition

As seen in Figure 46, CVRD has important strengths within the primary and secondary manufacturing sector. For example, CVRD has a fairly high location quotient for forest nurseries and gathering of forest products. The majority of businesses involved in this industry comprise establishments with two different production processes, those primarily engaged in growing trees for the purpose of reforestation, and those primarily engaged in gathering forest products.

Some of the other key industry sub-sectors that have been identified as having a relatively high concentration in CVRD in relation to the province include:

- Forging and Stamping (5.25)
- Sugar and Confectionary Product Manufacturing (5.03)
- Dairy Product Manufacturing (5.03)
- Support Activities for Forestry (2.98)

Forest nurseries and gathering of forest products has also been a growth industry for CVRD since 2008 with an increase of 100% in the number of businesses with employees operating in the area. Other primary and secondary manufacturing-based businesses that have also experienced significant growth between 2008 and 2013 include:

- Dairy Product Manufacturing (200%)
- Meat Product Manufacturing (100%)



- Spring and wire product manufacturing (100%)
- Support Activities for Forestry (72%)

It is interesting to note that only dairy product manufacturing had both a high location quotient and high business growth. This suggests a potential niche market that the Comox Valley may be relatively well positioned to take advantage of and continues to leverage for increased foreign investment for the area. Although there has been decline from 2008 to 2014, the logging sub-sector continues to have the largest amount of business establishments with employees within the primary and secondary manufacturing sectors in the Comox Valley.

FIGURE 46: COMOX VALLEY PRIMARY AND SECONDARY MANUFACTURING SECTOR COMPOSITION

Industry (NAICS)		Comox Valley (vs. B.C.)		Comox Valley Business Patterns			
		2014 LQ	Classification	2014	2013	2008	2013-2008 % Change
Forest Production and Support							
1132	Forest nurseries and gathering of forest products	9.85	High	4	2	1	100%
1153	Support activities for forestry	2.98	High	27	31	18	72%
1133	Logging	2.31	High	48	48	61	-21%
3212	Veneer, plywood and engineered wood product manufacturing	2.22	High	2	2	2	0%
3219	Other wood product manufacturing	1.19	Average	7	5	9	-44%
3211	Sawmills and wood preservation	1.13	Average	4	6	10	-40%
Food and Beverage Processing/Manufacturing							
3114	Fruit and vegetable preserving and specialty food manufacturing	1.38	High	1	0	0	0%
3113	Sugar and confectionery product manufacturing	5.03	High	3	3	2	50%
3115	Dairy product manufacturing	5.03	High	3	3	1	200%
3117	Seafood product preparation and packaging	2.81	High	3	4	5	-20%



Industry (NAICS)		Comox Valley (vs. B.C.)		Comox Valley Business Patterns			
		2014 LQ	Classification	2014	2013	2008	2013-2008 % Change
3116	Meat product manufacturing	1.11	Average	1	1	0	100%
3121	Beverage manufacturing	1.21	Average	4	5	3	67%
3118	Bakeries and tortilla manufacturing	0.52	Low	2	3	5	-40%
Technology-Based Manufacturing							
3324	Boiler, tank and shipping container manufacturing	2.92	High	1	1	1	0%
3326	Spring and wire product manufacturing	2.92	High	1	1	0	100%
3321	Forging and stamping	5.25	High	1	0	0	0%
3335	Metalworking machinery manufacturing	1.92	High	2	2	3	-33%
3328	Coating, engraving, cold and heat treating and allied activities	1.13	Average	1	1	2	-50%
3331	Agricultural, construction and mining machinery manufacturing	1.18	Average	1	1	1	0%
3391	Medical equipment and supplies manufacturing	1.17	Average	4	5	4	25%
3339	Other general-purpose machinery manufacturing	0.55	Low	1	0	1	-100%
3323	Architectural and structural metals manufacturing	0.48	Low	2	2	2	0%
3327	Machine shops, turned product, and screw, nut and bolt manufacturing	0.32	Low	1	1	1	0%

Source: Statistics Canada, Canadian Business Patterns 2008-2014.

Note: Due to changes in Statistics Canada methodology, 2014 data cannot be directly compared with previous years



Although Comox Valley has a specialization in key primary and secondary manufacturing in relation to the province, it does not have a significantly large workforce. In total, the primary and secondary manufacturing in CVRD employs 875 people, which accounts for 2.9% of the total workforce.⁹⁹

The class of workers that comprise the primary and secondary manufacturing sectors are:

- 1133 Logging (450)
- 1153 Support Activities for Forestry (125)
- 3121 Beverage Manufacturing (45)
- 3212 Veneer, plywood, and engineered wood product manufacturing (45)
- 3115 Dairy Product Manufacturing (35)

4.3.5.3 Key Opportunities

Based on the regional business data provided in the above section, an emerging opportunity for foreign direct investment in the Comox Valley would be in the sugar and confectionary product manufacturing sector. Having seen positive growth over the past five years and a high location quotient, this sector can be further leveraged to attract foreign investment. The Comox Valley and Canada as a whole has a competitive advantage over other sugar manufacturing countries, especially the United States, as sugar prices are significantly lower here. According to the Canadian Sugar Institute¹⁰⁰, Canadian prices are based on world sugar prices which are significantly lower than the supported prices in the United States and Europe. Canada's low import tariff also means that world refined sugar competition keeps prices low compared to the U.S. and other countries where tariffs are much higher. As a result, import prices show that Canadian sugar prices average approximately 35% below prices of sugar in the U.S. market.

Another of the key emerging opportunities for the Comox Valley is the increasing investment that Chinese companies have been making in British Columbia's economy. China is currently the seventh-largest source of foreign investment in Canada, having increased from \$113 million in 2004 to \$16.6 billion in 2014¹⁰¹. Although the federal government doesn't keep statistics on how many dollars go to each province, B.C.'s share of Chinese investment is thought to have risen at a pace similar to the national one. In the summer of 2015, for example, the Quinhuang-dao Economic and Technological Development Zone

⁹⁹ Statistics Canada, National Household Survey (2011), NHS Data Table 99-012-X2011052, customized by MDB Insight.

¹⁰⁰ Canadian Sugar Institute, "Canada's Sugar Policy 2015", <http://www.sugar.ca/International-Trade/Canada-s-sugar-policy.aspx>

¹⁰¹ Global Affairs Canada & Statistics Canada, CANSIM 376-0052



purchased 1,100 acres of forest on the outskirts of the City of Terrace, B.C. to build an alfalfa protein plant for \$11.8 million from the Kitselas First Nation and the City of Terrace. However, in the case of lumber (B.C.'s second most valuable export to China) the opportunities for investors tend to be “very limited,” due to industry expectations that more Chinese pulp and lumber buyers would take up stakes in B.C. companies that hasn't materialized yet.¹⁰²

Although the lumber industry is not attracting the type of foreign investment industry leaders were expecting, there is another industry that has caught the attention of Chinese investment that the Comox Valley is suited for: dairy product manufacturing. The combination of a high location quotient and business growth over the past five years suggests that the Comox Valley has an opportunity in attracting foreign investment in this sector, especially Chinese investment. The reasoning for this is the lack of fresh milk in the Chinese market and the ability to meet the growing demand for it. According to the Conference Board of Canada, an opportunity in this sub-sector could be the development of air freighting in the Comox Valley that would assist in getting fresh dairy and dairy products to meet the increasing Chinese demand. Food product shippers around the world are taking advantage of air freight in many ways that were previously unimaginable.¹⁰³ For example, New Zealand's role as a dairy exporting powerhouse is well known. Most of what the country exports in terms of milk products are dried products (such as powdered milk). In comparison, New Zealand's larger neighbour—Australia— has been air freighting 110,000 litres of fresh milk to China on a chartered 747.¹⁰⁴

Since the fresh milk demand in the Chinese market is so high, the premium that is put on the milk products can carry the additional cost of air freight making international shipping costs effective. In fact, where it often takes up to 15 hours to get fresh milk to capital cities in the Chinese domestic market by road, the flight to Shanghai from Vancouver is roughly only 11 hours or less, making door-to-door times similar.¹⁰⁵ Because of the relatively small volumes that air freight offers relative to other transportation modes, one large market for a single product can make a dedicated flight viable.

The potential barrier, however, is the Comox Valley's limited transportation infrastructure and connection to other markets. Although relatively close to Victoria and Vancouver there is difficulty in moving product off Vancouver Island. The development of an air freight operation from the local Comox Valley airport presents an important opportunity in overcoming these transportation challenges.

¹⁰² B.C. Business, “How Chinese Investment is Changing In B.C.”, June 11, 2015

¹⁰³ The Conference Board of Canada, “A recipe for Canada's Food Supply Chains”, July 2013

¹⁰⁴ Ibid

¹⁰⁵ Ibid



Eco-Industrial Park

An interesting opportunity for the Comox Valley in relation to primary and secondary manufacturing is the creation and development of an Eco-Industrial Park (EIP), specifically within the Bevan Road lands. An EIP is a community of manufacturing and service businesses located together on a common property, where members seek enhanced environmental, economic, and social performance through collaboration in managing environmental and resource issues.¹⁰⁶ This allows for the development of an integrated system of shared resources (material, knowledge-based, social, etc.) among industries, businesses, and the local community that lead to economic gains, enhanced environmental quality, and improved human resources for the business and local community.

The development of EIPs is not a new phenomenon, where for example the industrial park of Kalundborg in Sweden is often mentioned as the earliest development of an EIP, commencing operations in the early 1970s.¹⁰⁷ An example of an EIP that is in Canada is the Bruce Energy Centre located in Bruce County, Ontario. This industrial park is unique in that high-volume clean energy in the form of steam comes to the centre from the adjacent Bruce Nuclear Power Development (BNPD) operated by Bruce Power. When the clean energy from BNPD is combined with local renewable resources, the result is an energy centre that can sustain integrated development without harm to the environment.¹⁰⁸ Some of the industries located within the Bruce Energy Centre included an alfalfa dehydration cubing plant, a plastic film extrusion plant, an 8-acre greenhouse which is capable of growing hydroponic vegetables, a commercial alcohol plant, and a medical marijuana facility.

Some types of firms and agencies which may be recruited or attracted to an EIP in the Comox Valley include:

- Suppliers of equipment, energy, materials, and services to farmers
- Food processing and distribution firms
- Firms utilizing by-products from any part of the system
- Intensive food production located such as greenhouses or aquaculture ponds

The local high concentrations of forest production, food and beverage processing, and technology base manufacturing provides the Comox Valley with the opportunity to develop an agri-food and manufacturing EIP similar to the Bruce Energy Centre that provides support for sustainable food processing. Through the creation of EIP, the Comox Valley can leverage its existing concentrations of food and beverage processing, while at the same time attracting new industries that would be complementary to existing industries, as well as increase the synergies between them.

¹⁰⁶ Andrew W. Kong, "Eco-Industrial Park Development: A Guide for North America", April 2009

¹⁰⁷ Ibid

¹⁰⁸ Bruce Energy Centre, <http://www.bruceenergycentre.com>



Similar to the energy production at Bruce Energy Centre, the Comox Valley has the opportunity to develop an EIP within the Bevan Roads land that is powered by methane energy production provided by the nearby landfill. Development of methane energy production within the landfill that is then supplied to the nearby EIP is the first step in creating a closed energy cycle that limits greenhouse gas emissions and provides a sustainable and renewable energy source. Not only can the EIP help reduce non-renewable energy consumption, it can also assist in diverting the waste that is produced at the EIP. Since food processing industries have a high flow of organic material, future potential industries in the EIP can utilize this material as it can easily be further processed and maximized in its resource value. Even if there are no industries within the EIP that can further process the organic waste, the nearby landfill through its organics collection program can utilize it as compost. For example, since June 2013 the Comox Strathcona waste management (CSWM) service has processed over 1,700 tonnes of food and yard waste since the pilot organics collection program began, resulting in nutrient-rich compost for various municipal landscaping projects.¹⁰⁹

Although there are currently barriers to the development of the Bevan Lands as an Eco-Industrial Park (such as zoning, servicing the land and attracting of new industries or foreign investment), the Comox Valley does have the unique opportunity to develop environmentally sustainable industries. By focusing on the cost savings, the idea of corporate social responsibility and the possible industrial partnerships that can be made, the Comox Valley can begin to position and develop itself as an environmentally sustainable primary and secondary manufacturing centre of excellence.

4.4 FDI Action Plan and Recommendations

Investment attraction strategies must build on the unique assets and resources of a community to form a framework for achieving economic and community prosperity. This framework must contain inspirational objectives, as well as a set of associated actions to be implemented in pursuit of the desired outcomes. The most successful strategies are community-based, with the ability to draw on the expertise and connections of other organizations to achieve the vision for development. For that reason, the implementation plan for the strategy must be generated from a detailed assessment of the local economic assets and connections, and the insights and consensus of the local community.

The following section builds on the strategic sectors identified in previous sections of this report to propose an action-oriented implementation plan for achieving FDI attraction objectives in the Comox Valley. It seeks to provide CVEDS and its economic

¹⁰⁹ Comox Strathcona Waste Management; Food Scraps Returned as Compost for Community Parks New Release. June 2014



development partners with a roadmap for building the profile and investment readiness of the community in order to accommodate investments key target areas of the economy.

The actions in the implementation plan are divided into three activity areas:

- **Enhancing investment readiness within the Comox Valley**
- **Targeting investment opportunities for the Comox Valley**
- **Marketing and promoting investment within the Comox Valley**

The following section provides an overview of the objectives and actions within each of these three areas. It should be noted that in some cases, both staff time and financial resources may be needed from a number of organizations to fully implement the action.

Interpreting the Action Plans

In the actions tables to follow, the timelines are based on several criteria including:

- The level of immediacy based on the Comox Valley's FDI and economic development objectives
- The potential to contribute to the overall economic vitality and sustainability of the Comox Valley
- The resources required (i.e. the capacity to implement given the current state)

The timeline assigned to each action item corresponds to a specific timeframe which may be operationalized as:

- Short – 1-2 years
- Medium – 2-4 years
- Long – 4-5 years

4.4.1 Enhancing Investment Readiness

The first set of recommended actions relate to the level of investment readiness in the Comox Valley and the steps which may be taken to increase the community's preparedness for potential investment, and its ability to support and assist potential investors.



Action	Rationale	Timeline
Establish an Investment Readiness Committee	Effective engagement with potential investors often requires that more than economic development staff be mobilized quickly to respond to opportunities. Often, this response needs to be planned (to the extent possible) in advance, and should involve a range of players from across the community (realtors, developers, elected officials, and business leaders as well as economic developers). CVEDS should structure an FDI “rapid response team” that should meet periodically to plan for investment support, and which can be called upon to spring in to action when required.	Short
Engage more frequently with key stakeholders in the knowledge-based industries sector	Both project research and community input identified the Professional, Scientific and Technical Services (PSTS) sector – and knowledge-based industries more specifically – as a likely future source of substantial FDI activity within the Comox Valley. CVEDS should seek to work more closely and more frequently with industry associations (such as the Innovation Island Technology Association) and trade groups in this space, in order to ensure that’s activities are aligned with industry’s needs, and to more fully assess the changing nature of opportunities within this sector.	Short
Work with Cumberland to establish a permanent Bevan Road Industrial Lands Advisory Committee (BRILAC)	The Bevan Road industrial lands represent the largest single parcel of undeveloped land in the Comox Valley. To ensure that this site is developed in a timely and efficient way, and that lands may be available to support future FDI activity when needed, CVEDS and the Village of Cumberland should establish a joint working group to plan, manage and fundraise for the future development of the area.	Medium
Facilitate an annual FDI and employment lands discussion with municipal and regional planners	As both the Employment Lands Strategy and the FDI Strategy roll out, it will be important to ensure continued coordination of activity and sharing of data between CVEDS and its planning partners across the Comox Valley. CVEDS should organize an annual meeting focused on this objective.	Medium



Action	Rationale	Timeline
<p>Create an inventory of underutilized employment lands which could accommodate future FDI activity</p>	<p>Although the recent Employment Land Strategy developed an inventory of vacant employment lands within the Comox Valley, there may be additional underutilized lands in the region. This could include lands that are owned by a company, but with major portions of those properties undeveloped or underdeveloped. In some instances, these underutilized lands could be severed or otherwise opened up to future development activity, expanding the lands available to support FDI within the region.</p>	<p>Long</p>
<p>Explore the feasibility of creating a “local government tax sharing agreement” as a way to generate more partnership and collaboration in FDI activities in the Comox Valley</p>	<p>At a basic level, this type of shared arrangement may see a municipality sharing the costs of things like the extension of water or sanitary sewer services, or construction of new internal roads or upgraded arteries, and sharing increased tax revenues of new developments that result from the investments. This shared approach has been successful in communities throughout Alberta and Manitoba in particular.</p> <p>One example is the Joint Economic Development Initiatives (JEDI) area of Alberta. The JEDI allows the municipalities to share in the cost and benefits of attracting industrial development to anywhere within the region. For example, if one municipality (e.g. City of Wetaskiwin) services land in another (e.g. County of Wetaskiwin), 75% of the tax revenue generated from the newly serviced parcel is returned to the servicing municipality until their costs are recovered. The remaining 25% of the tax assessment is shared amongst the partners according to the population formula. Once servicing costs are recovered by the servicing municipality, the tax assessment from the new development is shared amongst the partners based on the population formula on an ongoing basis. The master agreement also includes provisions for cost recovery and revenue sharing where two or more of the municipalities agree to initially share the cost of servicing (e.g. within an inter-municipal development plan area).</p>	<p>Long</p>



4.4.2 Targeting Investment Opportunities

The second set of recommended actions relate to the targeting and pursuit of investments in select economic sectors, and the steps which may be taken to increase the community's success in attracting FDI.

Lead Generation

Action	Rationale	Timeline
Undertake a formal lead generation exercise	As CVEDS begins to more fully explore its investment attraction opportunities, in its target sectors, it will benefit from professional assistance in the lead generation space. While many consultants claim expertise in this space, CVEDS should focus on the engagement of international firms specializing in in-market lead generation and lead facilitation. Rather than pursuing a single lead generation exercise, CVEDS should also contemplate semi-regular exercises that are smaller in scope, generating 10 to 20 appropriately qualified investment leads on each occasion. This will make the overall exercise more affordable, provide CVEDS with an appropriate scale of FDI outreach activity, and ensure a fresh round of leads with each iteration of the exercise.	Medium

Aquaculture and Fishing

Action	Rationale	Timeline
Explore the feasibility of attracting new or supporting the expansion of existing aquaculture operations to target niche high value seafood products (such as nutraceuticals, food additives, and geoducks)	With an already strong base of aquaculture and fishing operations in the Comox Valley, there are many new and emerging opportunities based on advances in medicine and changing global demand for different seafood products. Many of these new products would likely be well-suited to enhance existing operations based in the Comox Valley or contribute towards attracting more operators to the region. Feasibility studies exploring the financial opportunities and top markets are important in capitalizing on these opportunities.	Short



Action	Rationale	Timeline
Work with the Comox Valley's local seafood processing and packaging sector to identify where gaps in service exist locally and how to address those gaps	Changing global demands for seafood products coupled with the emergence of new dominant export markets creates a changing landscape for processing and packaging needs. Working closely with the Comox Valley's seafood processing and packaging sector will help to ensure that aquaculture and fishing operations based in the region continue to enjoy the competitive advantages of having good local businesses to support their needs.	Medium
Actively position the employment lands adjacent to the Comox airport as a hub of activity for aquaculture and fishing operations that export to Asian markets on a regular basis	Asian markets are some of the highest demand locations for Canadian seafood. With a favourable location on the west coast of Canada, good airport facilities, strong aquaculture and fishing assets, and available employment lands adjacent to the Comox airport, expanding and catering to growing Asian market demands offers tremendous opportunity for the Comox Valley.	Medium

Professional Services and Technology

Action	Rationale	Timeline
Form a permanent tech sector advisory committee	The creation of a tech sector advisory committee will help guide the growth and development of the technology sector in the Comox Valley. To continue the successful development of the Comox Valley's technology sector, it is imperative that the region understands the needs of business. Through the development of a Comox Valley Technology Advisory Committee, they will be able to guide and inform regional policies to best support the sector.	Short
Raise the profile of Comox Valley as a technology hub	The high quality of place and life that is available in the Comox Valley is often highly pursued by younger professionals involved in the professional, scientific, and technical services sector. In addition, the Comox Valley is within the proximity of both Victoria and Vancouver, which provides the opportunity for the establishment of satellite offices outside the metropolitan areas. This has the potential to attract foreign investors looking to the provincial technology sector. Additionally, this could attract 'lone eagle' entrepreneurs looking for a high profile location to establish their business.	Short



Action	Rationale	Timeline
Create a knowledge-industry co-working space	The increasing number of entrepreneurs that play an important role in the growth of the professional, scientific, and technical services sector is becoming increasingly important. The creation of co-working, shared, or incubation space will facilitate business partnership and economic growth. It also has the potential to utilize vacant space in a downtown core and promote reinvestment locally.	Long

Agriculture

Action	Rationale	Timeline
Identify the feasibility of growing new, high value agricultural crops in the Comox Valley	The Comox Valley's excellent climate provides opportunities for new, high value crops to be grown that can meet demand in new target markets and support an increasingly diversified agrifood processing and exporting sector. This has the potential to attract increased levels of investment within the sector. As one option, the Comox Valley should identify the best practices around the growing of medicinal marijuana to better understand if it is a crop type worth pursuing further.	Medium
Increase the region's brand and marketing as a sustainable agricultural sector internationally	There is an increasing awareness globally about the importance of securing sustainable and safe food supplies. Locally, and in British Columbia, there is a growing market for organic and sustainable agricultural products that have a minimal impact on the environment. Internationally, countries like China are looking to invest in foreign countries to secure their access to new agricultural sectors.	Long

Tourism

Action	Rationale	Timeline
Develop unique tourism experiences in partnership with K'ómoks First Nation	Cultural or experiential tourism is becoming an increasingly popular way for travellers to spend their leisure time. In partnership with the K'ómoks First Nation, the Comox Valley should market the region as an opportunity to experience and	Medium



Action	Rationale	Timeline
	learn about First Nations culture, history, and way of life. This could include aspects of experiential tourism including hiking, boating, and learning new skills. This would also compliment other tourist opportunities and investments that currently exist in the Comox Valley. Importantly this would also create local economic development opportunities for K'ómoks First Nation.	

Primary and Secondary Manufacturing

Action	Rationale	Timeline
Target investment for niche food markets in the Comox Valley	<p>Target niche markets within the food processing and manufacturing sector in areas such as dairy products, seafood products, sugar and confectionary, and fruit and vegetable processing where there is market opportunity which will also further develop the supply chain and strengthen the sector as whole. This should include lead generation activities to identify companies as potential strategic targets for investment in these sectors.</p> <p>Leveraging the relative close proximity to Asian markets, specifically China, to attract investments in food processing should be a priority in this regard.</p>	Medium
Attract new entrant food processors to the sector	<p>Research, target, and attract new processors that have the capital and management capacity to either develop new food processing business, or strengthen existing business. This allows for renewed investment into adding production plants and a succession program for smaller businesses. Information flow with potential investors must be expanded to ensure that the right people within key companies are aware of the local potential and investment opportunities.</p>	Medium
Explore the feasibility of an Eco-Industrial Park in the Comox Valley	<p>Study the possibility and feasibility of the creation of an Eco-Industrial Park that focuses on food processing and manufacturing, greenhouse production, waste diversion, and alternative energy production located within the Bevan Road industrial Lands. The Bevan Road Industrial Lands Advisory Committee should take a lead role in the development and attraction of potential companies, industries and foreign investment within</p>	Long



Action	Rationale	Timeline
	the potential park.	

4.4.3 FDI Marketing and Promotion

The final set of recommended actions relate to marketing and promoting investment opportunities in the Comox Valley, and the steps which may be taken to communicate the region’s value proposition to potential investors.

Action	Rationale	Timeline
Develop site-focused investor “tear sheets” for employment lands within the Comox Valley	Building upon the model following this action plan, CVEDS should develop a series of “tear sheets” (in both physical and digital formats) which may be used to introduce specific industrial and commercial sites to potential investors. This will underline the concrete nature of the Comox Valley’s employment lands, while reinforcing the community’s readiness to support investment activity. Over time, multiple versions of these “tear sheets” may be developed, each customized to the needs of target industries or even of individual potential investors.	Short
Develop sector-specific marketing materials, including brochures and microsites, targeting niche investment opportunities in the Comox Valley’s key priority target areas	Broad and generic marketing materials are increasingly ineffective in FDI attraction activities. As a result, CVEDS should develop a series of specialized, sector-specific and niche-oriented marketing materials which can be produced in small physical quantities as needed, and permanently housed online in dedicated “micro-sites”. This customized approach to investment marketing will allow for more highly-tailored messaging to potential investors, and the ability to speak directly to the needs of key investment targets.	Short



Action	Rationale	Timeline
<p>Engage with relevant external industry associations in the priority sectors</p>	<p>Traditional economic development marketing activity is often focused on “broadcasting” a generic message to multiple, large audiences. CVEDS must recognize that current best practice is much more focused, relying on clearly-articulated value propositions presented to niche actors and investors, and conveyed through close, relationship-based channels. To facilitate this different approach, CVEDS and its partners should identify a short list of national and international industry associations and partners that are active in its priority target areas, and seek to leverage their participation in these networks over the long term in order to generate intelligence, knowledge, leads and (ultimately) investment.</p>	<p>Medium</p>
<p>Develop and maintain a publicly-accessible database of available employment lands within the Comox Valley</p>	<p>The current Employment Lands Strategy has created a comprehensive, GIS-based inventory of available employment lands within the Comox Valley. This should be maintained, and – if possible – data regarding underutilized lands added to the database at a future time. This data should be made accessible through an online structure that would allow community members or potential investors to access this information on an ongoing basis. Such a site may be used to support ongoing FDI attraction efforts, but also to support local Business Retention and Expansion (BR+E) and entrepreneurship support activities. It will also help the community to monitor the changing supply of employment lands, and thereby ensure that supplies are always adequate to meet expected demand driven by investment activity.</p>	<p>Medium</p>



4.5 FDI Key Area Profiles

This section includes four profiles on the Comox Valley lands that offer future and emerging economic development opportunities that the Comox Valley can use in its FDI marketing activities. One location from each of the Comox Valley's municipalities as well as the region itself has been included in these profiles.

The four locations are:

- 2700 Mission Rd., Courtenay
- Bevan Rd., Cumberland
- 1325-1351 Knights Rd., Comox
- Marine Dr., Royston, Comox Valley Regional District

Each of the four locations represents parcels of vacant land that are “shovel-ready” (i.e. potentially developable within the next 6 months) for immediate direct investment. Each of the locations represents opportunities for new investment in the Comox Valley in the priority FDI sectors described in previous sections.



FIGURE 47: FDI KEY AREA PROFILE – 2700 MISSION RD., COURTENAY

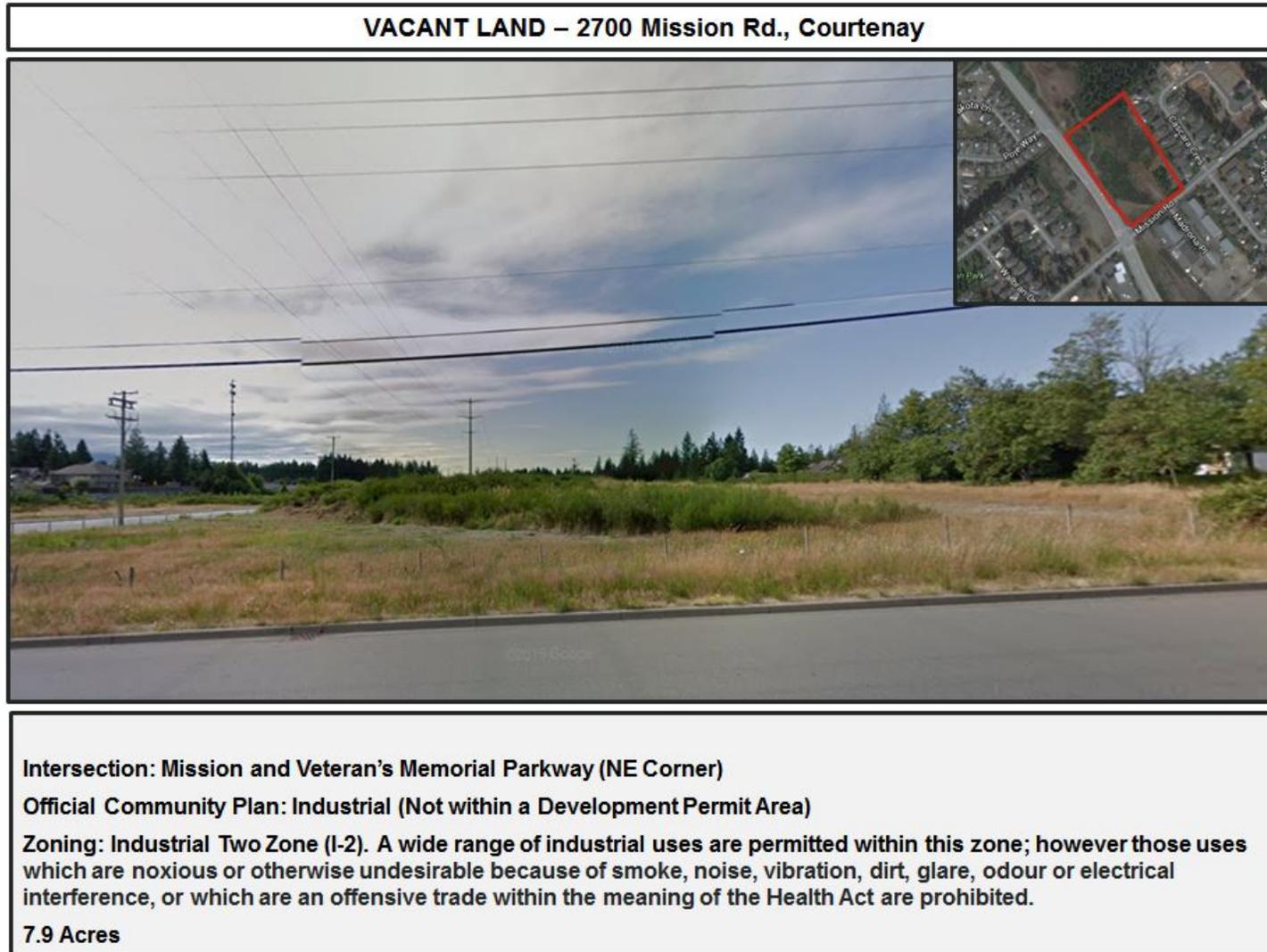




FIGURE 48: FDI KEY AREA PROFILE – BEVAN RD., CUMBERLAND

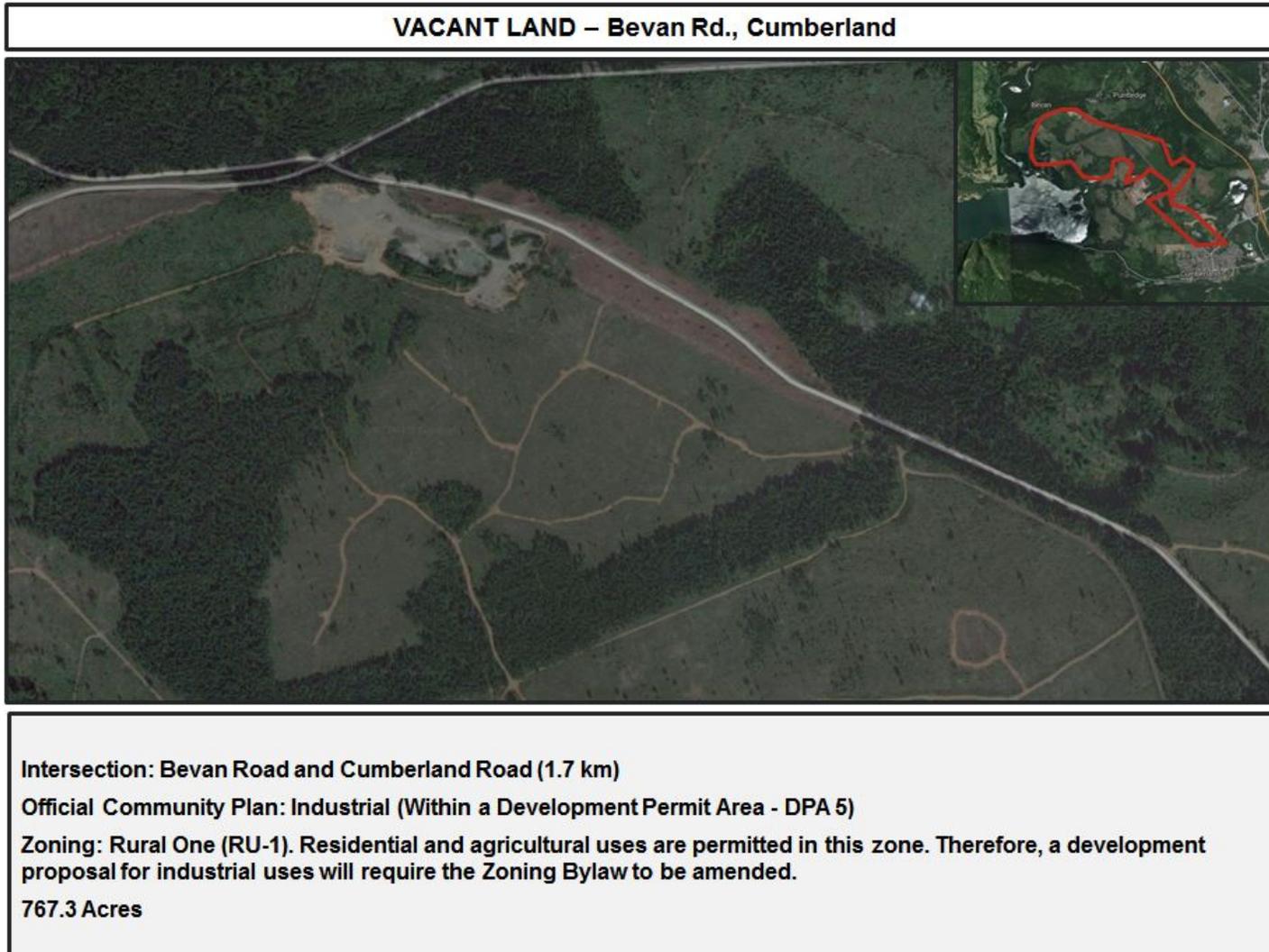


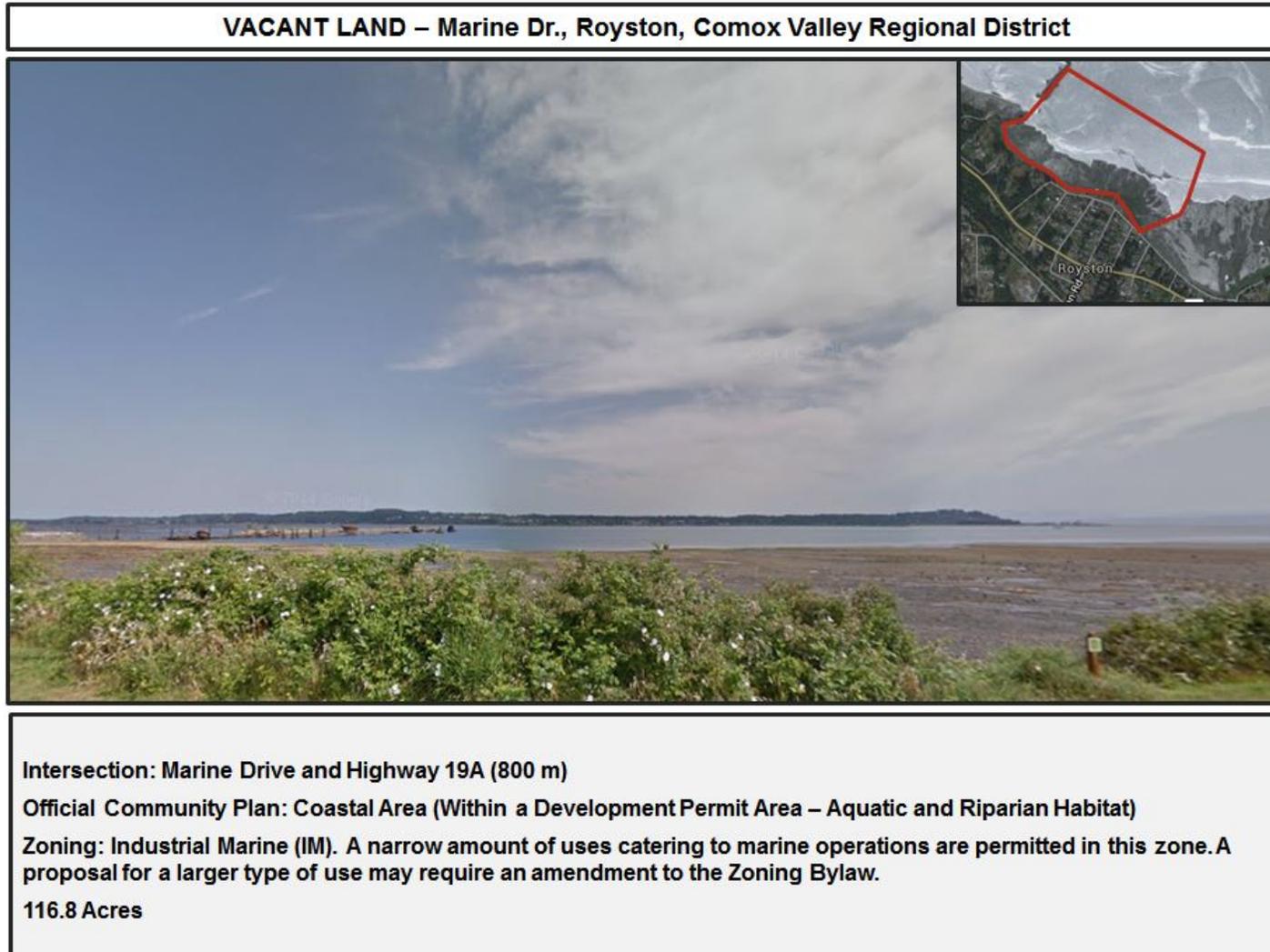


FIGURE 49: FDI KEY AREA PROFILE – 1325 – 1351 KNIGHT RD., COMOX





FIGURE 50: FDI KEY AREA PROFILE – MARINE DR., ROYSTON, CVRD





Appendix A – Best Practices for Business Park Operations

Some best practices for business park operations are included below highlighting Canadian examples that communities in the Comox Valley could consider for their own employment and industrial lands operations. These examples may prove to be most revealing when considering new developments near the Comox Valley Airport and in the potential establishment of an Eco-Industrial Park on the future Bevan Road industrial lands.

City of Leduc, Alberta

The Leduc Business Park serves as an example of a privately owned industrial area in proximity to the Edmonton International Airport. The approved development area consist of two quarter sections (approximately 320 acres) with another six quarter sections (approximately 960 acres). The types of businesses that are situated in this industrial area include oil and gas, construction, research and food production and advanced technologies companies and training facilities.

Through the use of zoning provisions, the City provides for a mix of light and service oriented industries. The City ensures that industrial sites are developed with high quality buildings appropriately landscaped in a manner than considers adjacent sites and the streetscape. In addition, the City may consider alternate uses for the industrial reserve blocks providing:

- It is clearly shown that the City will not need this land for industrial development in the long term future
- The majority of the property owners agree to prepare an area structure plan.
- The use proposed does not detract from similar uses in existing designated areas.
- The soft services required by the proposed use can be made available
- The hard services required by the use of proposed are available.¹¹⁰

In the city of Leduc, industrial land is owned privately. The City has zoning provisions in place to ensure high quality industrial buildings are developed in proximity to the airport. Through the use of zoning provisions, the City is demonstrating that it can influence the development of business park areas.

¹¹⁰ City of Leduc, North Leduc Industrial Area Structure Plan (R99-164-1D), (March 2001), p.I-3.



City of Burlington, Ontario

An innovative program offered by the Burlington Economic Development Corporation (BEDC), an arm's length corporation of the City, directly benefitting businesses expanding in their business parks is the Lean, Green & Connected: Innovative Industrial Buildings for Advanced Manufacturing program. This program was designed to ensure that Burlington has a flexible supply of manufacturing space suitable for both incubating small start-up companies and accommodating the growth of advanced manufacturing firms during different stages of their development. This program provides manufacturers and the development community with a better understanding of the impact of future trends on the built industrial environment in Burlington. The BEDC has determined that for space requirements of less than 50,000 sq.ft., leasing or buying facilities are the usual choices for manufacturers. For manufacturers with over 100 employees and space needs in excess of 50,000 sq.ft., custom design buildings are common.

The BEDC focuses on ensuring an adequate supply of high quality industrial space for small- and medium-sized advanced manufacturers. The BEDC staff recognize that industrial space provides a platform for growth and productivity. As manufacturing changes, the built environment needs to change as well, in order to attract and retain manufacturing business investment. Over the near-term, BEDC's focus is adaptive re-use or retrofitting of existing buildings. Over the longer-term (5+ years), when market conditions improve and existing supply is absorbed, the focus is intended to shift to new construction.¹¹¹

The current slow growth conditions in the market for industrial construction provides an opportunity for Burlington to better position itself as a leader in advanced manufacturing by educating and informing manufacturers about the features and benefits of intelligent construction. This Lean, Green & Connected program will have a direct impact on industrial development in Burlington as governments at all levels seek to control carbon emissions, reduce reliance on conventional energy consumption and constrain the environmental footprint of manufacturing plants. Incentive programs are being employed as stimulus measures to encourage early adopters. However, it is the mandated consumer information laws, new emissions controls and planning standards that will encourage intensification and drive development in cities like Burlington. The City has some level of control over how quickly these new trends are adopted in this community. While these trends impose new costs, they can also act as a competitive advantage in investment attraction and retention.¹¹²

Market rents often hide the true cost of industrial buildings. Up to 80% of the total lifecycle cost of a building comes from its operations, the remainder comes from construction. While low initial rents may seem attractive, they can mask higher downstream operating costs for occupants. One of the reasons cited for the slow uptake in intelligent building design is that it

¹¹¹ BEDC Next Generation Action Plan, Lean, Green & Connected: Innovative Industrial Buildings for Advanced Manufacturing Final Report, March 2011, p.59.

¹¹² Ibid. p.60.



imposes higher up-front costs which are reflected in less competitive rents. Considered over the traditional life-cycle of a building however, these improvements can generate significant operating cost savings. Much greater focus is needed on life-cycle costing to arm manufacturers with the right financial tools to make informed decisions about whether buying, building or leasing is the best option.¹¹³

A critical success factor for implementing the Lean, Green & Connected project will be the challenge of demonstrating the true value of asset rich buildings to the marketplace. One challenge Burlington faces is to push for greater application of advanced industrial building trends through education and information. Intelligent building design is the future for developers and demonstrating its value to the community is an inevitable and necessary next step.

Working with a manufacturing business or industrial building owner, BEDC is exploring the possibility for a P3 partnership to retrofit an existing building to establish a manufacturing production centre. The centre would act as a demonstration of intelligent building design and will house small advanced manufacturing operations in a collaborative setting involving some shared business services. The demonstration project would also tap into available incentive programs with the goal of creating a sustainable environment with lower operating costs.¹¹⁴

BEDC also works with the City in its review of plans and standards (e.g. official plan review, building standards and development charges review), ensures that planning and building approvals are responsive to changing trends and identifies projects that demonstrate the benefits of intelligent building design. Through this process, BEDC has the potential to stimulate market demand for high-quality infrastructure that supports advanced manufacturing and contributes to increases in productivity while optimizing operating costs.¹¹⁵

BEDC is also working with its larger regional government structure, the Regional Municipality of Halton, to ensure that new planning and building standards, and customer service delivery is responsive to the needs of developers, owners and tenants of industrial facilities. BEDC is pressing for greater alignment of development charges to make Burlington a competitive jurisdiction for new industrial construction and development.¹¹⁶

In addition to the Lean, Green and Connected project, BEDC's Next Generation Manufacturing Initiative offers training for companies looking to develop innovative business cultures, work closer with their customers and better utilize web 2.0

¹¹³ Ibid.

¹¹⁴ Ibid. p.61.

¹¹⁵ Ibid.

¹¹⁶ BEDC Next Generation Manufacturing Action Plan, Lean, Green and Connected: Innovative Industrial Buildings for Advanced Manufacturing, Final Report, March 2011.



technologies, provide peer-to-peer workshops for industry identified issues and provide advice for the planning and construction of flexible manufacturing facilities.

Fengate Capital Management is a land owner of commercial and industrial properties in Burlington. They have a portfolio of 20 properties that are owned by private investors and these properties are managed as a real estate investment fund under the name Northgate Properties Inc. The investors who own these properties amalgamated to offer a more diversified portfolio of real estate holdings. Fengate's relationship with the city is regarded as good in terms of getting necessary approvals in place for commercial and industrial development. Incentives that are used by Fengate to attract businesses to their properties are tenant improvements and free rent. These incentives are used for existing and new buildings. The amount for each incentive that a business would receive is dependent on the term of the lease (e.g five, 10, or 15 year term).¹¹⁷

Burlington Hydro is also involved in innovative incentive programs with their GridSmartCity programs. Burlington Hydro will assist companies manage and control electricity costs by providing facility lighting management, process improvements and solar and co-generation development options.¹¹⁸

City of Regina, Saskatchewan

Supporting Regina as a location for investment in the city, and more specifically in the business parks, is a competitive property tax exemption policy targeted at attracting new businesses. The policy is designed to encourage plans that satisfy one or more of the following criteria:

- Create quality career opportunities and promote diversity in the workplace
- Create significant new investment in Regina and region
- Belong to one of the sectors (i.e. value added agricultural production, manufacturing, energy, warehousing, advanced technology and environment industries) that are key to Regina's economy
- Locate their business in the designated city locations to help achieve their growth plan
- Be a global or national leader in implementing new technology
- Have a significant research and development focus within the company and
- Utilize sustainable technologies/practices in construction and/or operations.

¹¹⁷ Conversation with Chris Mihailovich, Vice President, Real Estate at Fengate Capital Management Ltd., July 11th, 2012.

¹¹⁸ BEDC website, <http://www.bedc.ca/LocateInvestExpand/Incentives>, viewed on June 22nd, 2012.



Full and partial property tax exemptions up to several years are considered on a project-by-project basis and are subject to evaluation based on a point system and matrix.¹¹⁹ This system allocates points for meeting targeted achievement. The criteria to achieve maximum points are highlighted in the following figure. As this figure indicates, number of jobs and investment in land/ buildings and equipment are weighted heavily when evaluating the degree of property tax exemptions.

FIGURE 51: REGINA REGIONAL OPPORTUNITIES COMMISSION – ECONOMIC DEVELOPMENT INCENTIVE PROGRAM

Category	Maximum Points	Maximum in Category	Criteria to achieve maximum points
Jobs (50%)			
Number of Jobs	75	52.5	Create (within 24 months of start): between 1—20 FTEs – 10 points; between 20 – 50 FTEs – 20 points; between 50 – 100 FTEs – 35 points; over 100 FTEs – 52.5 points
Average Salary		15	Create FTEs with compensation: 5-10% above regional average – 5 points; 10-15% above average – 10 points; greater than 15% above average – 15 points.
Target Workforce Jobs		7.5	Hire target employee groups (Aboriginal, Women, visible minorities, handicapped): target groups represent 5-10% of workforce – 5 points; target groups represent greater than 10% of workforce.
Investment (40%)			
Land/ Buildings/ Equipment	60	37.5	Invest \$100,000 - \$200,000 per FTE created – 20 points; Invest over \$200,000 per FTE created – 37.5 points
Sector		7.5	Be one of the key sectors.
Location		15	Downtown, research park, old warehouse district, airport, IPSCO Place – 7.5 points; In addition to being located in a target area, company also fits the published growth plan for the area – 15 points.

¹¹⁹ Regina Regional Opportunities Commission, Incentives, <http://www.reginaroc.com/invest/site-selection/incentives>, viewed on June 22nd, 2012.



Category	Maximum Points	Maximum in Category	Criteria to achieve maximum points
Other (10%)			
Technology	15	4.5	RROC determines the company is leading edge in application of technology – 4.5 points.
Research & Development		6	Invest at least 2 to 5% of total revenue in research and development on an annual basis – 3 points; invest over 5% of total revenue in research and development on an annual basis – 6 points.
Sustainability		4.5	RROC determines the company will implement sustainable technologies/ practices in construction and/ or head office and production operations.

Source: Regina Regional Opportunities Commission, 2012

The number of points a business receives during the evaluation process determines the eligibility for a property tax exemption over a five year time period. This evaluation for the number of years is provided in the following figure. If the number of points received is between any two numbers provided in the figure below. The lower of the two numbers determines the amount and term of the tax exemption.

FIGURE 52: REGINA REGIONAL OPPORTUNITIES COMMISSION INCENTIVE LEVEL MATRIX

		Percent Exemption			
		25	50	75	100
Years of Exemption	5	25	50	75	100
	4	22	44	67	
	3	19	37		
	2	14			
	1				

Source: Regina Regional Opportunities Commission, 2012



Companies that have been approved for a property tax exemption will have a formalized written agreement between them and the City of Regina. The recipient company will be required to meet the performance criteria and may be asked to provide payroll information and R&D spending information on an annual basis.

The City of Regina has plans for residential, commercial and industrial opportunities with the Harbour Landing and Grasslands mixed use developments. A new industrial park, the Western Industrial Lands is now zoned for expansion near the airport. Included with that development will be Canadian Pacific Railway's new multi-stage intermodal facility, which will serve as a global transportation hub.



Appendix B – Official Community Plans and Growth Strategies

Comox Valley Regional Growth Strategy

A Regional Growth Strategy (RGS) is a statutory document, implemented by Bylaw by the Council of a Regional District and accepted by resolution, by member municipalities and adjacent Regional Districts. In accordance with Part 13 of the *Local Government Act*, all local governments must eventually align their own growth and development policies with those of the RGS.

Adopted in 2011, the Comox Valley Regional Growth Strategy (RGS) was developed in partnership between the Comox Valley Regional District (CVRD), the City of Courtenay, the Town of Comox, and the Village of Cumberland to guide longer term growth over a twenty year time horizon. The purpose of the RGS is to promote coordination among those municipalities and the CVRD on issues that cross municipal boundaries, and create clear reliable links with provincial ministries and agencies whose resources are needed to carry out the programs and projects necessary to achieve RGS goals and objectives.

Part Three of the Comox Valley RGS outlines the regional policies to direct growth, including the overall vision for Comox Valley:

“The Comox Valley will continue to evolve as a region of distinct, well-connected and well-designed urban and rural communities. As stewards of the environment, local governments, the K’ómoks First Nation, public agencies, residents, businesses and community and non-governmental organizations will work collaboratively to conserve and enhance land, water and energy resources and ensure a vibrant local economy and productive working landscapes.”¹²⁰

The strategy outlines a number of goals emerging from that central vision, organized into eight central policy areas meant to address identified challenges and opportunities in the Comox Valley over the following 20 years. The goal for local economic development is to “achieve a sustainable, resilient, and dynamic local economy that supports Comox valley businesses and the region’s entrepreneurial spirit.” As such, the RGS recognizes the need to include policies that will create more complete communities that attract new investment and jobs, retain existing jobs, encourage entrepreneurship, and create a sustainable

¹²⁰ Urban Strategies Inc., Ecoplan International Inc., Ear to the Ground Planning. (2010). Comox Valley Regional Growth Strategy Bylaw No. 120, 2010.



tax base that better supports local service delivery. Several objectives and supporting policies speak to the accommodation of employment growth and employment or industrial land development in the Comox Valley.

Objective 3-A: Support local business retention, development and investment, is focused on creating a positive business-enabling environment that support existing and new businesses. This includes a range of supporting policies that influence employment land development, including policies to ensure that development and business permitting standards are supportive of development (3A-3), while working with partners like CVEDS and K'ómoks First Nation to focus investment in Town Centres (3A-4) and support development on First Nation lands (3A-5), respectively.

Objective 3-B: Increase regional job base, is focused on creating a more healthy and sustainable balance of jobs and people in the Comox Valley. This includes notable recognition of the role that natural resource-based industries can play in employment growth, with the RGS protecting and preserving ALR lands to diversify agricultural opportunities (3B-2) and resource areas for value-added forestry and agro-forestry uses (3B-2), while exploring a range of value-added opportunities emerging out of the agriculture, forestry, and other resource-based industries (3B-4). Beyond resource-based opportunities, the RGS also promotes employment growth in “green” and technology-based industries (3B-7), with more industrial areas of the economy developing within an eco-industrial networking approach (3B-6). With most relevance to the employment and industrial lands strategy, the RGS commits to monitoring the supply of readily serviced industrial land in the region to maintain a sufficient supply to meet regional economic development needs (3B-5).

Though **Objective 3-C: Support resource-based employment opportunities**, speaks primarily to opportunities in areas of agriculture, aquaculture, forestry, and mining (to an extent), several policies have implications on the accommodation of employment in the rural areas of Comox Valley. This includes directions to encourage value-added and community-based forest use applications in resource areas (3C-6), support uses outside of forestry and agriculture in resource areas provided that environmental values and sensitive ecosystems and wildlife habitat are protected (3C-8), and encourage renewable energy generation and related jobs (3C-9), among other policies guiding resource-based employment.

Objective 3-D: Promote designated Town Centres as regional employment centres, directs a considerable amount of the expected mixed-use office, retail, and other commercial employment to Town Centres in Cumberland, Comox, and Courtenay. Intensification (3D-1) and revitalization tools and policies (3D-2) are expected to account for much of this employment absorption in the Town Centres, with supporting policy 3D-3 noting opportunities to introduce strategies that would reduce costs for municipalities in the development of Town Centres.

Part Four of the RGS outlines the strategy for managing growth in the Comox Valley. The strategy separates Comox Valley into three general land use categories and nine specific designations. A minimum of 90% of growth within the Comox Valley is directed to core settlement areas (e.g. municipal areas, settlement nodes, K'ómoks First Nation lands, sports and education



node, and settlement expansion areas) in order to promote the efficient use of land and infrastructure, provide the density necessary to support alternative transportation choices, and achieve environmental benefits, all while limiting sprawl and urban encroachment into rural areas. The majority of new growth associated with industrial and employment land development is expected to occur within the Village of Cumberland municipal area, as it holds the largest supply of vacant employment lands across the region. However, both the City of Courtenay and the K'ómoks First Nation lands are also highlighted as key elements of the Comox Valley's employment and industrial lands prospects within core settlement areas. Settlement Nodes are expected to capture employment growth at a smaller scale, likely tied to resource-based industries (e.g. aquaculture) or tourism.

Settlement expansion areas represent the potential future supply of urban lands in the Comox Valley. They are identified for either, or a combination, of the following:¹²¹

- They contain existing settlements with private water and/or sewer servicing that will eventually require the extension of publicly operated water and sewer services, coincident with boundary extensions, or satisfactory servicing agreements, in order to address public health and environmental issues before they arise; or,
- They have the long-term potential to accommodate future growth subject to boundary extensions and the provision of publicly-owned water or sewer services, provided that appropriate phasing policies are established, new development does not detract from compact growth options within municipal areas, and that infrastructure capacity is available and financially sustainable.

Settlement Expansion Areas without any existing development have been largely designated as “reserve areas”, to help Comox Valley accommodate longer term growth demands. Should demand warrant (and financial or environmental resources permit) expansions of boundaries and municipal services, Settlement Expansion Areas may provide longer term opportunities to accommodate new employment and industrial land growth over the longer term. The RGS notes that within the community of Royston (an area with potential development lands), a new Local Area Plan should be prepared with active participation from the local community. Finally, any designation of new Settlement Expansion Areas would require an amendment to the regional growth strategy.

Rural Areas, composed of Rural Settlement Areas and Agricultural Areas, are intended to accommodate a maximum of 10% of total new growth across the Comox Valley, in a manner sensitive to the surrounding rural and agricultural context. From an employment and industrial lands strategy perspective, MG Policy 2A-4 establishes a range of permitted uses that may accommodate employment in Rural Settlement Areas, including agriculture and related uses (e.g. food processing, distribution centres, agricultural research facilities), non-residential and non-agricultural uses (e.g. on-site businesses, home based

¹²¹ Urban Strategies Inc., Ecoplan International Inc., Ear to the Ground Planning. (2010). Comox Valley Regional Growth Strategy Bylaw No. 120, 2010



businesses, small-scale agri-tourism uses) subject to servicing capacities, resort developments, and renewable energy infrastructure and facilities. Uses in Agricultural Areas are defined under the Official Community Plans, in consistency with the Agricultural Land Commission Act.

Rural Comox Valley Official Community Plan, 2014

The Rural Comox Valley Official Community Plan (OCP) provides an overall policy framework for the unincorporated Electoral Areas laying outside the incorporated local municipalities, and islands within the Strait of Georgia (managed by the Islands Trust). The 2014 update of the Rural Comox Valley OCP was required to align land use policies with the Comox Valley RGS. Several underlying principles influenced the development of the OCP, including:

- Maximizing the use of resources, staying within the limits of natural systems, and building a strong and vibrant economy, as outlined in the sustainability targets of the CVRD Sustainability Strategy and RGS
- Nurturing and providing for new transportation in a socially, economically, and environmentally responsible way
- Building partnerships in order to share responsibility for maintaining, preserving, and rehabilitating a high quality of life and for addressing issues collaboratively

Part Two of the OCP outlines the overall regional objectives and policies for land use development in rural Comox Valley.

Section 17 outlines the overall objectives for the economy and industry in rural Comox Valley, with several speaking directly to employment and industrial land development:

- 17(1) To encourage stewardship of the land while encouraging sustainable economic development based on the region's natural resources.
- 17(4) To provide young people with access to land for farming.
- 17(6) To encourage economic activity that complements and supports the natural environment, culture, and rural geographic setting of the Comox Valley.
- 17(13) To ensure a continued supply of land that is maintained for industrial use and to encourage the retention of existing industrial uses.



- 17(14) To permit a wide range of employment uses including those in the agricultural/aquaculture sector, industrial sector, commercial sector, innovation sector, culture and arts sector, tourism and service sector, and public service sector, within the plan area.

Section 18 outlines the economy and industry related policies specifically regarding agriculture and aquaculture:

- 18(2) Encourage the Comox Valley Economic Development Society to attract businesses of a scale and nature that complement and strengthen the agriculture and aquaculture industries in the rural areas.
- 18(12) Strengthen the retention and expansion of agriculture and aquaculture industries and small-scale agriculture and aquaculture operations with due regard to the water quality of the marine environment.
- 18(13) Encourage the establishment of value-added processing structures or uses for agriculture and aquaculture industries in locations where potential land use conflicts can be mitigated, and with due regard to the water quality of the marine environment.

Section 19 outlines the economy and industry related policies specifically regarding tourism, arts, and culture:

- 19(2) Investigate the opportunity to provide publicly owned services in the Saratoga Beach area in order to support the existing waterfront tourist commercial properties to reach their full economic potential.
- 19(3) Do not support rezoning of existing tourist commercial properties in the Saratoga Beach waterfront to provide for residential uses.
- 19(4) In collaboration with other partners, continue to promote responsible use of the natural areas of the Comox Valley by identifying and promoting important bird areas, local culture, hiking, kayaking, and other recreational activities that rely on a healthy natural environment.
- 19(6) Support initiatives that promote and encourage art and cultural industries to locate in the regional district.

Section 20 outlines the economy and industry related policies specifically regarding resource uses:

- 20(6) Support the production and marketing of local wood products.
- 20(8) Encourage forestry and supporting activities to incorporate best practices and design and carry out their operations in a manner that minimizes negative impact on surrounding land uses and the natural environment of the CVRD, including drinking water supply protection areas.

Section 21 outlines the economy and industry related policies specifically regarding emergent industries:



21(1) Encourage innovative industries, including developers of “green” technologies, health science research and development, food production, and others to locate within the CVRD.

21(2) Consider medical marihuana production facilities licensed pursuant to the marihuana for medical purposes regulations through a rezoning within the agriculture area and resource area designations.

Part 3 of the Rural Comox Valley Community Plan takes into consideration land use designations. The identified settlement nodes of Saratoga Miracle Beach, Mt. Washington, and Union Bay as the primary growth areas in the CRVD. The nodes are intended to be mixed density communities with a range of housing types, local service commercial uses, and service industries to foster complete communities.

A Blueprint for Courtenay: Official Community Plan

During the development of a vision for the City of Courtenay it was identified that the City would be “...unique and different from other communities. It is to become the most liveable community in the province.” This would be predicated on the the city having:

- an inclusive, open and caring community
- commitment to continued excellence
- a strong downtown
- the ability to ensure a high level of aesthetic and architectural design
- a reputation as the premier regional centre for arts and culture
- balance and ability to lead growth and the provision of services
- a role to be the centre of commerce for the Comox Valley
- an expanding parks, natural areas and greenways system
- a strategy to lead in environmental protection
- commitment to serve youth and seniors
- support for a viable agricultural economy and ensure the protection of agricultural lands

To support the vision of the City of Courtenay a number of different goals were identified that have implications on the development of lands:



- Preserve and protect downtown Courtenay as an integral part of the community's social and cultural life, its identity and its economy.
 - Encourage residential development downtown.
 - Encourage higher density development and housing in the downtown as a way to build in a market for its businesses. Utilize 5th Street as the model for other downtown streets.
- Move toward greater balance of development between the east and the west sides of Courtenay, and maintain downtown as the core of the community.
 - Define areas where new commercial will be considered.
 - Move to identify lands on which "big box" commercial development is acceptable.
 - Create neighbourhoods that provide different housing types close to recreation, educational and daily destinations.
- Identify and protect key areas that have the potential for future use as parks or open space.
 - Designate and protect key areas that could become future parks or open space.
 - Continue the development of the Courtenay Riverway Concept along all river frontages in the City.
- Design with nature, employing energy-conservation principles, emphasizing sustainability, enhancing the natural beauty, and protecting wildlife habitat; and support agriculture as an industry in the Valley.
 - Consider the long-term impacts of all land use decisions. Selecting the correct location for density is important as this will create the right balance to ensure new growth enhances the community and supports existing and new services.
- Adopt "Smart Growth" policies for sustainable development.
 - Set clear municipal and urban containment boundaries.
 - Through regulations and incentives, encourage developers to produce a greater housing mix as well as commercial services.
- Although Courtenay itself has become an urban area, the rural context within which it exists is still important to most residents, and should be preserved.
 - Preserve Courtenay's rural context through clearly delineated City boundaries and ALR designation.



- Support the present location of ALR boundaries in the City.
- Work toward a more diversified economy, including becoming a model energy conserving community, with more value-added forestry, aquaculture, a stronger recreational base, service to retirees, as well as continuing existing economic activities.
 - Identify nodes of commercial activity and adhere to those as the only places for commercial development.
 - Identify lands that could be zoned for light industry, and put out the message that Courtenay welcomes clean industry.
 - Encourage the development of value-added industry in forestry and aquaculture.
- Capitalize on the business the airport brings to the Comox Valley.
 - Work closely with the airport commission to ensure airport and City planning keep aligned.
 - Explore other industries that can be developed locally or attracted to the region because of the airport's projected growth.

In section three of the Official Community Plan details the growth management for the City. The goals, objectives and policies of the Regional Growth Strategy bylaw as contained in Section 3 are organized into the following eight sections which are outlined below for the consistency of the City's OCP.

Goal 1: Housing: Ensure a diversity of housing options to meet evolving demographics and needs. The OCP supports the development of housing options and contains policies that examine ways to increase densities and to provide a balance between new and existing developments. These principles include:

- balance land uses to create a vibrant and diverse neighbourhood and community
- create neighbourhoods that will offer a variety of transportation choices
- preserve and enhance open spaces, greenways and environmentally sensitive areas
- encourage green buildings and infrastructure
- lead in creating inclusive neighbourhoods for housing

Goal 3: Local Economic Development: Achieve a sustainable, resilient and dynamic local economy that supports Comox Valley businesses and the region's entrepreneurial spirit.



- Courtenay has long served as the economic centre of the greater Comox Valley and this is recognized in the Regional Growth Strategy. This is supported by designating five principle commercial areas within the City and to support the densification of these areas. It recognizes the distinct role of the Downtown as an integral part of the community's social and cultural life, its identity, and its economy.

Section four of the Official Community Plan for Courtenay is concerned with the land use designations for the community. Section 4.1 identifies the downtown is important to the City with identified goals that will continue to grow and strengthen the area. Although it is evident that the bulk of the commercial growth has not been downtown, there has been a recent renewal of cultural facilities in the downtown. The goals for the downtown Plan include:

- 4.1(1) To strengthen the role of the downtown as the primary business district and the centre for culture, entertainment, government and tourism.
- 4.1(2) To identify a series of policies and initiatives to encourage the development and redevelopment of the downtown.
- 4.1(3) To promote a mix of multi residential with commercial uses.
- 4.1(9) To direct major office space including government offices and services to the downtown.
- 4.1(10) To limit the height of all buildings to four stories.

To facilitate the implementation of these goals the City has developed a number of policies to support and promote a downtown location as the primary location of major offices and government facilities within the City, future uses for a major destination recreation facility, and to encourage and promote partnerships with other organizations to create cultural hub, educational, and business district.

The City will also support an increased diversification of uses in the civic and commercial centre of Courtenay by adding the a number of Commercial One Zone (C-1) uses such as: craft industry with wholesale and retail sales; beer/wine making facility, microbrewery and store; studios (artist's, performing arts, recording, etc.); small scale manufacturing with wholesale and retail sales, limited by size and noise/fumes restrictions.

The City also supports an expanded area for the downtown to allow the downtown to expand and gain prominence. The expansion would provide opportunities for larger commercial uses to be an integral part of downtown and for development projects to occur which serve to expand and enhance the downtown. One of the greatest challenges of the downtown business area is to provide attractive opportunities for growth and redevelopment. This is especially true for larger retail and commercial ventures that normally locate on large vacant sites with a great deal of on-site parking. It is critical to the health of the downtown



to both retain the existing establishments and to provide realistic opportunities for larger retail uses to locate near the city centre.

Section 4.2 outlines how the City has experienced significant commercial growth in recent years. In the coming years, it is expected there will be a continued demand for retail space which will be directed to identified commercial areas. Goals for the commercial growth of Courtenay include:

- 4.2(1) utilize existing services and designated lands prior to consideration of new commercial areas.
- 4.2(2) direct all government and major offices to locate in the downtown area.
- 4.2(4) support a strong, diversified commercial base within municipal boundaries which will provide employment and service opportunities.
- 4.2(7) support tourist commercial development associated with natural amenities and environmental features such as the Courtenay River, Puntledge River or Tsolum River corridors or major destination golf courses which achieve a high level of environmental protection.

Section 4.3 outlines how the City has very little serviced industrial land and currently no lands are available to meet the requirements of larger and heavy industrial operations. An exception to this is within the Crown Isle Development which has approximately 15.8 hectares of land, but it is not serviced at this time. Goals for the City's existing industrial lands include: support the continuation of existing industrial areas; develop a new industrial park where a wider range of industrial uses would be permitted; and encourage industrial development as a means of diversifying the City's economy. Policies that the City will use to guide future industrial development are:

- 4.3(2) The City will not support the location of major offices in the Industrial designated areas.
- 4.3(3) The City will not encourage any significant retail uses in the Industrial designated areas
- 4.3(4) The City recognizes the concept that it is not practical to accommodate future industrial requirements within current City boundaries and that consideration will be given to a boundary extension including the Fraser Road/South Island Highway area to meet this requirement.

Due to several recent boundary extensions have resulted in the City now having some properties located within the Agricultural Land Reserve (ALR). The City recognizes the important role of these lands and supports the aim of preserving farmland and farming activities. The goals of the City's Official Community Plan are to ensure that agricultural lands are preserved for agricultural purposes and to enhance and protect the viability of agricultural activities within the City; promote the expansion of the agriculture industry in the Comox Valley; direct urban development away from the ALR to minimize conflicts between farm



and non-farm uses; and encourage agriculture operations to operate in an environmentally sustainable manner. The City has outlined policies that it believes will guide the future development of the City's agricultural lands:

5.5(2) The City supports expanding the processing of locally produced agricultural products.

5.5(3) The City will discourage the subdivision of land within the ALR for non-agricultural uses.

The Village of Cumberland Official Community Plan¹²²

A set of goals have been established to describe the Village of Cumberland's aspirations in support of the community's vision. A goal is an overarching principle that guides decision making. These goals and the following objectives inform the policy direction of the Plan. The framework of these policies is intended to guide future decisions on land use and development. The following goals will have a direct impact on the development of employment lands in the Village.

Goal 1 – Future Land Use: The Village will contain areas with a wide range of land uses that provide for the employment, service, recreational, industrial, retail, and housing needs of Cumberland's existing and future population.

To support the Village's goal of meeting the needs of Cumberland's existing and future population it has identified the following:

5.1.2(1) Maintain a compact urban form by directing new development to the Village Centre and along major transportation corridors that are served by frequent transit service, and by focusing new commercial and mixed use development in and around the Historic Village Commercial Core.

5.1.2(2) Meet the density requirements outlined in the Comox Valley Regional Growth Strategy 2011:

a. 100–150 combined residents and jobs per hectare

b. A minimum of 75 combined residents and jobs per hectare for ground orientated housing

5.1.2(3) Protect the natural condition of environmentally sensitive areas by managing these areas as free of development to the maximum extent possible.

¹²² At the time of report preparation, Cumberland is in the process of preparing an updated Zoning Bylaw to reflect the planning and growth management policies of the Village's OCP. The new Bylaw, expected to be implemented in the summer of 2016, may address and/or change the hierarchy of uses within the Village's industrial zones.



5.1.2(6) Encourage the assembly of logical development sites that enable the best realization of permitted development potential for the area.

Lands within the Village are designated for specific land uses to guide how properties shall be developed. Land use designations may differ from the current zoning designation. The intent of an Official Community Plan designation is to guide the future development of the Village and to provide a greater level of certainty to land owners and the community of what uses are supported in certain areas. General land use policies govern all land uses within the Plan and have a direct impact the future supply and availability of employment land. The following policies have been identified as having the great impact:

5.1.5(1) The majority of new development will be encouraged to locate in close proximity to or within the Village Centre.

5.1.5(4) Proposed development projects shall demonstrate clear and measurable benefit to the community through rigorous and supportable evidence based research and analysis.

Goal 2 – Growth Management: The Village will follow Smart Growth principles by directing growth and development in and around the Village Centre, and areas already serviced by existing infrastructure. Encourage complete communities, infill, mixed use, and more compact built form that is applied to the Village as a whole. Growth management objectives in relation to commercial and industrial lands include:

5.3.5(1) Maintain strong relationships with municipal neighbours and regional partners to ensure that growth and change decisions reflect provincial and regional policies.

5.3.5(3) Maintain the Village Centre as the residential and commercial hub of the community.

5.3.5(4) Ensure decision-making on growth and change incorporates the Village's financial and infrastructure capacities.

To achieve these out it will be necessary that the Village's boundaries provide more than 20 years supply of residential land to accommodate a mix of housing types in various neighbourhood settings, and to allow the Village to concentrate infrastructure spending and community amenities within or near the Village Centre.

- The Village will designate an adequate supply of land to accommodate future growth for residential, commercial, industrial, institutional, and recreation uses.
- As a matter of course the Village growth management should be coordinated with the Region's objectives for connecting habitats and precautionary growth principles through the sharing of information, resources, ongoing identification, and mapping of ground truthed conservation areas. As resources allow, prepare a "made in Cumberland" growth management framework that is supported by the following principles:



- Livable communities for all ages
 - Sustainable economic development
 - Viable and practical real estate market considerations
 - Increased access to housing, including affordable housing
 - Improved natural resources, in particular water
 - Efficient use of existing services and infrastructure
 - Minimization or avoidance of new services and infrastructure
 - Reduced ecological footprint
 - Protection and restoration of ecological systems
- Identify and protect environmentally sensitive areas to ensure an appropriate balance between future growth of community and preservation of key natural assets necessary for community viability and attraction as a regional tourism and recreational destination.
 - Support land use rezoning applications for Institutional use where appropriate.
 - Support land use rezoning applications for federally licensed medical marijuana production facilities in underutilized industrial lands.
 - To facilitate managed growth, appropriate development, and decision making, all development proposals shall demonstrate to the Village and community, clear and robust evidence based analysis and assessment of market and growth conditions, community needs and benefits.
 - The majority of new growth, particularly higher density residential uses, shall be located in close proximity to the Historic Village Commercial Core (HVCC). This is intended to:
 - Reinforce the role of the HVCC as the preferred focus for business, cultural, recreation, and tourism services for Cumberland
 - Promote walkable, pedestrian friendly neighbourhoods
 - Encourage entrepreneurial and business friendly climate for future investment
 - Reinforce and promote the Heritage values and character of the downtown area and the Village centre as a whole, accommodate appropriate infill and development in this area

Goal 6–Economic Development: The Village will develop a robust local economy by capitalizing on the natural environment and promoting a greater diversification within the local economy, including environmentally-friendly innovative industry technologies, federally licensed medical marijuana production facilities, live/work units, and continue to allow home based



businesses. Cumberland's growth has also created economic opportunities it can actively pursue. Three primary sources of growth include:

Eco-tourism: Cumberland is actively developing as a major 'destination' for outdoor recreation, heritage, arts, and culture. Activities such as mountain biking, hiking, non-motorized boating, fishing, and birding can be nurtured to expand economic development opportunities. Regional opportunities such as eco-sensitive resort complexes, and sporting and equipment supply services can also be examined for primary economic benefits and spin-offs. Cumberland is at a critical point in its development as a 'destination' for outdoor recreation, heritage, arts, and culture.

Commercial Development: This development will augment existing bed and breakfasts, restaurants, guide services, small retail, art galleries, live theater and microbreweries and microdistilleries to yield more tax income.

Industrial Development: This development includes industries that are aimed at mainstreaming environmental, climate, and social considerations into the operations of enterprises.

To support the three primary sources of growth there are number of objectives that have been identified which have a direct implication on the future land development and use in Cumberland. These include:

- 6.1.2(3) Encourage appropriate business investment for growth and services within the Historic Village Commercial Core and land uses adjacent to Highway 19 and Comox Valley Parkway.
- 6.1.2(4) Build upon both the arts and natural environment as major sources of new economic opportunities for the Village.
- 6.1.2(5) Expand, preserve and promote the Village's working forest land, environmentally sensitive areas, and natural amenities as integral part of the Village's economy.
- 6.1.2(6) Accommodate environmentally-friendly technologies and innovative industrial activities in appropriate areas, where sufficient infrastructure exists, or where the extension of existing infrastructure is economically viable without creating an infrastructure burden for existing ratepayers for the term of the land use.
- 6.1.2(7) Provide for and encourage the restoration and adaptive reuse of historic and other buildings as viable "live up, work down" mixed use development.

To support the success of the above identified economic development objectives a number of different policies have been created that will have a direct impact the Village.

- 6.1.3(2) Support mutually beneficial economic development opportunities with K'ómoks First Nation.
- 6.1.3(3) Encourage business development based upon eco-tourism principles and practices.



- 6.1.3(4) Support the development of tourist services within the Historic Village Commercial Core.
- 6.1.3(5) Support the combined uses of commercial and residential activities in the Historic Village Commercial Core as appropriate, so as to continue a traditional mixed-use Village centre.
- 6.1.3(6) Support the development of regionally focused commercial business enterprises within Cumberland that are structured to meet the market needs of the region.
- 6.1.3(7) Develop new opportunities for light and medium industry, including value added manufacturing activities including federally licensed medical marijuana production facilities.
- 6.1.3(8) Encourage industrial activities that are non-polluting that support the local economy and provide local employment.
- 6.1.3(9) Ensure industrial uses permitted in the Village do not adversely affect the natural environment, the community's unique character or the peaceful enjoyment of neighbouring properties.